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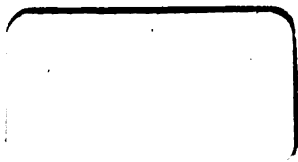
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# NATIONAL COLONIZATION BILL

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## HEARINGS

U. S. Congress. House BEFORE

## THE COMMITTEE ON LABOR

HOUSE OF REPRESENTATIVES

SIXTY-FOURTH CONGRESS

FIRST SESSION

ON

## H. R. 11329

A BILL TO AUTHORIZE THE SECRETARY OF LABOR TO COOPERATE WITH  
OTHER DEPARTMENTS OF THE GOVERNMENT IN FOSTERING, PRO-  
MOTING, AND DEVELOPING THE WELFARE OF THE WAGE  
EARNERS OF THE UNITED STATES, BY CREATING  
NEW OPPORTUNITIES FOR PERMANENT  
AND PROFITABLE EMPLOYMENT,  
AND FOR OTHER PURPOSES

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## CONTENTS.

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	Page.
Testimony of witnesses:	
Crosser, Hon. Robert.....	10
Holder, Arthur E.....	80
Howe, Frederic C.....	97
Magnusson, Leifur.....	77
Marsh, Benjamin C.....	14
Additional statement.....	27
Post, Hon. Louis F.....	109
Stewart, Ethelbert.....	38
Wilson, Hon. William B.....	32
Copy of the bill, H. R. 11329.....	5



## NATIONAL COLONIZATION BILL.

COMMITTEE ON LABOR,  
HOUSE OF REPRESENTATIVES,  
*Thursday, May 18, 1916.*

The committee this day met, Hon. Edward Keating presiding.

Mr. KEATING. The committee will come to order. We are here today to consider H. R. 11329, a bill introduced by Mr. Crosser to "authorize the Secretary of Labor to cooperate with other departments of the Government in fostering, promoting, and developing the welfare of the wage earners of the United States, by creating new opportunities for permanent and profitable employment, and for other purposes," which reads as follows:

[H. R. 11329, Sixty-fourth Congress, first session.]

A BILL To authorize the Secretary of Labor to cooperate with other departments of the Government in fostering, promoting, and developing the welfare of the wage earners of the United States, by creating new opportunities for permanent and profitable employment, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of Labor be, and he is hereby, authorized to cooperate with the Secretaries of Agriculture and of the Interior for the purpose of extending the present work of the division of information of the Immigration Service of the Department of Labor in the distribution of workers and in finding and creating new opportunities for permanent and profitable employment for such workers, and for the purpose of ascertaining the measures which may be necessary for relieving unemployment throughout the United States and making recommendations regarding the same to Congress; and the Secretaries, respectively, of Agriculture and Interior be, and they are hereby, authorized, at the request of the Secretary of Labor, to place at the disposal of said Secretary of Labor any information as to the activities, duties, and powers of offices, bureaus, and services under their respective jurisdictions, so far as they relate to labor and its conditions, in order to harmonize and unify such activities, duties, and powers, with a view to further legislation to further define the duties and powers of the said Secretary of Labor; and there is hereby created a special administrative board of three members, to be known as the national colonization board, to consist of the Secretaries of the Departments of Labor, of the Interior, and of Agriculture, of which the Secretary of Labor shall be the chairman, and said board is hereby empowered, authorized, and directed to carry out, through the personnel and other means of said departments, the provisions of this act; and to this end the said board may employ, through the Civil Service Commission, such additional force as may be necessary: *Provided*, That either of the said Secretaries may designate an Assistant Secretary in his department to act on the said board in his stead, and the acts of such Assistant Secretary or Secretaries shall be in all respects as valid and binding as if they were the acts of the Secretary himself. The term "board" or "colonization board" as used in this act shall refer to the national colonization board herein created.



SEC. 2. That the board shall examine, or cause to be examined, areas of land embracing portions of the public domain and reservations owned by the United States and adjoining lands not so owned, said areas including agricultural, desert, grazing, or forest lands, for the purpose of determining the possibilities of organizing on all or any portions of such areas or locations, and in convenient units, projects for colonizing communities of workers in the industry or industries, whether farming, grazing, lumbering, or other, being conducted on or suitable to the particular area; and the board may at any time through the President, and upon his approval, recommend to the Congress the purchase of lands not owned by the United States which are needed for any colonizing project.

The colonization board may, at any time in its discretion and upon the approval of the President, set apart and withdraw from settlement, location, sale, or entry any of the public lands of the United States, including the District of Alaska, and reserve the same as farm-colony reserves for the purpose of colonizing thereon families and persons, in accordance with the provisions of this act.

No land now reserved by the United States, in irrigation or other withdrawals, in national parks, in national forests, or other reservations, shall, by elimination or otherwise, be restored to the public domain nor opened to settlement, location, sale, or entry until after the examination of such lands by the board and its approval of such restoration.

SEC. 3. That the colonization board, after the examination of any area or locations as provided for in section two, shall select therefrom such locations as in the opinion of the board would be most suitable and practicable as colonization projects; and the said board shall make, or cause to be made, for each such location a detailed plan for developing and colonizing the same. Said plan shall in each case provide for the necessary clearing of land; for the construction, maintenance, and operation of the roads, ditches, and other reclamation works necessary to make the land accessible and cultivable; for developing and supplying timber, coal, power, telephone and other services to settlers for their domestic use; for organizing facilities for purchasing, marketing, and other cooperative activities; and for securing any other improvements or services necessary for the efficient organization and development of any community to be colonized on the location. And said plan shall include estimates of cost of all contemplated works and operations, of the quantity, location, and value of the lands and the number of people which can be colonized, and all facts relative to the use and practicability of each colonization project. Upon completion of the plan, with estimates of each project, the same shall be submitted by the board to the President for his approval, and he shall report to Congress at the beginning of each regular session as to the use and practicability of all projects approved by him during the previous twelve months.

The board is hereby empowered, authorized, and directed, in connection with any project, to set aside and reserve from settlement, location, sale, or entry so much of the timber, coal, water-power sites, or other resources owned by the United States as may be necessary to the settlers in said project for their domestic use.

No project shall be undertaken by the board nor submitted to the President for approval which does not offer a reasonable presumption that the soil and other physical conditions and the markets and other economic conditions involved in such project will permit of immediate, continuous, permanent, and profitable employment for the settlers being located and colonized therein.

SEC. 4. That the title to all lands whatsoever retained or acquired by the United States and included in farm-colony reserves or in irrigation or other withdrawals, or in national parks, national forests, or other reservations, the same being included in any colony project, shall remain forever in the United States Government; and the colonization board is hereby authorized, under such rules and regulations as it may establish and subject to the provisions of this act, to issue to any person over twenty-one years of age who is a citizen of the United States, or who has declared his intention of becoming such, a terminable permit or lease for the use of agricultural or grazing land owned by the United States Government.

No permit or lease for the use of any parcel of land shall be issued except to the person by whom said land shall be actually used and occupied and during a period only in which said land shall be used and occupied by said person or the designated heirs or assigns thereof; and the question of fact in any particular case of what is actual use and occupancy within the spirit and purpose

of this act shall be determined by the colonization board, subject to appeal to the district Federal court in the district in which such land is located, which court shall proceed in the same manner as in cases for the condemnation of land; and any permit or lease of land decided as not being used or occupied as aforesaid shall be subject to cancellation by the board.

The total area of land, agricultural, grazing, or both together, the use of which is allowed by the board, under one or more permits, leases, or both, to any one person during any period, shall not exceed that which, in the opinion of the board, is sufficient to support one family; and in no case shall such area exceed three hundred and twenty acres of agricultural land or six hundred and forty acres of grazing land: *Provided*, That two or more persons holding permits or leases under this act may operate their holdings under cooperative agreements approved by the colonization board.

SEC. 5. That the aggregate cost of all improvements involved in any colonization project for making lands therein accessible and cultivable, as provided for in section nine, together with the cost of surveys and examinations therefor and of all organization work in connection with said project, shall be assessed by the board against each farm, ranch, or other parcel of land (owned by the United States within such project and opened to use under permit or lease) upon the basis of benefits and damages thereto; and a charge to be known as the "improvement charge" shall be collected each year by the board from the permittee or lessee equal to four per centum of the total cost of improvements assessed against the parcel of land in question plus a fraction, fixed or variable, of said total cost sufficient to reimburse to the Government such cost in a period not exceeding fifty years, to be determined in each case by the colonization board: *Provided*, That the permittee or lessee may, at any interest-paying time, pay the balance remaining unpaid of the total cost, including interest charge, or any proportion thereof: *Provided further*, That whenever the total cost of improvements assessed against any parcel of land shall be paid to the Government, with annual interest at four per centum on balances previously unpaid, no further improvement charge shall be collected. All improvement charges collected shall be paid in to the "colonization fund" of the Treasury of the United States hereinafter provided, to be used as provided for in section eight.

A charge to be known as the "tax charge" (in addition to the improvement charge hereinbefore provided), such tax charge to be a reasonable percentage of the assessed value of the land, shall be collected each year by the board from the permittee or lessee. From the tax charges so collected there shall be paid by the board equitable proportions thereof to the State, county, and other local governments rendering services within the area of the colonization project, corresponding to the local current tax rate, but not to exceed three per centum of the said assessed value; and the remainder of the said tax charge shall be paid into the "colonization fund" of the Treasury of the United States, to be used as provided for in section eight.

All improvement charges and tax charges shall be paid in annual installments to such local officers and under such rules and regulations as the board may determine, and a failure to make payments for two successive years shall render the permit or lease subject to cancellation by the board, with the forfeiture of all rights under this act: *Provided*, That in no case shall the board allow any permittee or lessee to continue in occupancy after three successive installments shall be due and unpaid: *Provided further*, That the board shall ascertain the total amount paid by the permittee or lessee toward the cost of improvements, and deduct therefrom the amount of depreciation of said improvements and shall pay the balance to the said permittee or lessee (whose right of occupancy is so forfeited). The permittee or lessee may appeal from the decision of the board to the district Federal court in which such land is located, which court shall proceed in the same manner as in cases for the condemnation of land.

SEC. 6. That there is hereby created in the United States Treasury a fund to be known as the "colonization fund," to be expended by the board for carrying out the provisions of this act, and the Secretary of the Treasury is hereby authorized and directed, upon request of the colonization board, to transfer from time to time to the credit of the colonization fund such sum or sums, not exceeding in the aggregate \$50,000,000, as the said board may deem necessary, to be used from time to time for carrying out the provisions of this act; and such sum or sums as may be required to comply with this authority are hereby appropriated out of any money in the Treasury not otherwise appropriated: *Provided*, That

the sums hereby authorized to be transferred to the colonization fund shall be so transferred only as such sums shall be actually needed by the board: *Provided further*, That all sums so transferred shall be restored to the Treasury from the improvement fund, as hereinafter provided.

Sec. 7. That for the purpose of providing the Treasury with funds for such advances to the colonization fund the Secretary of the Treasury is authorized to issue certificates of indebtedness of the United States in such form as he may prescribe and in denominations of \$20, or multiples of that sum; said certificates to be redeemable at the option of the United States at any time after ten years from the date of their issue and to be payable fifty years after such date and to bear interest, payable semiannually, at not exceeding three per centum per annum; the principal and interest to be payable in legal tender of the United States. The certificates of indebtedness herein authorized may be disposed of by the Secretary of the Treasury at not less than par, under such rules and regulations as he may prescribe, giving all citizens of the United States an equal opportunity to subscribe therefor, but no commission shall be allowed and the aggregate issue of such certificates shall not exceed the amount of all advances made to said colonization fund, and in no event shall the same exceed the sum of \$50,000,000. The certificates of indebtedness herein authorized shall be exempt from taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and a sum not exceeding one-tenth of one per centum of the amount of the certificates of indebtedness issued under this act is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same.

Sec. 8. That certain proportions of the receipts of the colonization fund shall be paid into the general fund of the Treasury of the United States, until payments so made shall equal the aggregate amount of advances made by the Treasury to said colonization fund, together with interest paid on the certificates of indebtedness issued under this act and any expense incident to preparing, advertising, and issuing the same: *Provided*, That said transfer of receipts shall be made at such times and in such proportions as the President shall direct: *Provided further*, That all receipts of the colonization fund in excess of the amounts of advances made by the Treasury, as heretofore provided, to said colonization fund which shall have been restored, shall be used by the board in accordance with the provisions of this act for instituting new colonization projects and for developing projects which shall have been established, and any sum or sums from said colonization fund used for making lands accessible and cultivatable, or for making surveys and examinations therefor, or for any organization work in connection with any project, shall, together with annual interest at four per centum on unpaid balances of said sum or sums, be assessed by the board against the appropriate land and collected as an improvement charge, in accordance with the provisions of section five, and when so assessed and collected the said sum or sums shall be returned by the board to the colonization fund, to be used over again indefinitely by the board for like purposes.

Sec. 9. That upon the determination by the national colonization board that any colonization project is practicable, and upon approval of such project by the President, the said board shall let contracts, in definite portions or sections of the operations to be undertaken (providing the necessary funds for such portions or sections are available in the colonization fund) for clearing the land of timber or stumps and for constructing necessary roads, drainage ditches, and other reclamation works and improvements, and shall maintain and operate the same for the purpose of making the land accessible and cultivatable.

The board shall thereupon, through the Labor Department, give public notice of the lands ready for settlement within such project, and the limits of area of single farms or ranches, and the improvements and tax charges thereon per acre, and all other facts necessary to properly inform any prospective settlers as to the project; and the board shall, through said Department of Labor and as soon as possible, bring together, colonize, and locate upon the land a body or group of persons or families as settlers, in the requisite number, who are presumably most suitable to the conditions of such project and who will be the most benefited thereby.

Upon arranging for the location of said settlers in such project the board shall arrange for developing local timber growth, coal deposits, water power, or other resources owned and reserved for the purpose by the United States, and for constructing power plants, transmission lines, telephone lines, and other works, and to maintain and operate the same for the purpose of providing to the settlers

at cost prices, and for their domestic use only, lumber, coal, power, light, telephone, and other domestic services.

The board shall, in addition, organize, or aid the settlers in organizing, facilities for the cooperative purchasing by said settlers at wholesale prices of farming and domestic equipment, supplies and material; also facilities for the cooperative marketing by said settlers of their farm products; and any necessary cooperative buildings or structures may, in the discretion of the board, be built and maintained out of the colonization fund, the same to be assessed against the appropriate lands (on the basis of benefits derived) within the project and to be collected as part of the improvement charges.

The title to all works, buildings, and improvements constructed or made on any lands belonging to the United States within any colonization project, under authority of this act, shall remain forever in the United States, subject to the right of assignment of the use thereof as hereinbefore provided.

The term "settler" or "settlers" as used in this act shall refer to any and all persons, with their families, living permanently on land within any project and occupying and using the same for farming or other productive purpose or permanently employed within any project in logging, sawmilling, tree planting, or other forest operation or in construction work or clearing land or other operations being conducted under any contract authorized in this act.

The term "domestic use" as used in this act shall include the use by any settler or settlers of any resource for their direct personal welfare or for increasing the productivity of their lands, but shall exclude the use of any resource for purposes, directly or indirectly, of sale or profit.

SEC. 10. That the national colonization board shall, from and after the passage of this act, execute or cause to be executed all laws affecting any forest reserve or national forest, or any portion thereof, included within any colonization project, and all timber-sale contracts applying within such projects shall be made by the board in conformity with a plan for maintaining as far as possible a continuous and sustained annual yield and cut of timber within the area of the project, to the end that continuous and profitable employment may be provided for settlers whom the board may colonize as being suited to and desirous of work in the operations of logging, sawmilling, tree planting, or other forest industries.

SEC. 11. That all operations provided for in this act shall be governed by provisions as stated in this section, and such provisions shall be embodied as terms in every contract (whether a contract for construction, timber sale, or other purpose involving labor) which is authorized under this act:

Eight hours shall constitute a day's work.

The minimum wage per day of eight hours' duration for any class of labor shall be not less than the average wage per day of average duration received in the locality by the respective class of labor working under conditions equivalent to those prevailing in operations conducted under this act.

All wages shall be paid at intervals not greater than sixteen days.

No person under the age of sixteen years shall be employed for any purpose whatsoever.

No contract shall be sublet without the consent of the colonization board, and said board shall require in any contract for subletting that the appropriate provisions of this act be embodied as terms therein.

SEC. 12. That the colonization board is hereby empowered, authorized, and directed to make all necessary rules and regulations (the same to be embodied when required as terms of contracts) and to establish the necessary services—

To insure the safety of workers in the operations provided for in this act.

To provide for just and reasonable compensation to all workers in any operation or to their dependents, who may be injured or killed in the course of their work.

To provide for a system of insurance of workers employed in all operations under this act in cases of sickness, injury, or death.

To provide for an adequate system of sanitation, housing, and general living conditions for the workers engaged in any operation under this act.

To promote the skill, interest, and efficiency of workers in any operation.

To conduct operations where desirable to set a standard of efficiency for contractors; also in case reasonable contracts can not be secured.

To provide for the sale of any surplus water or electric power, or of any lumber or coal development, in connection with the operations of supplying said resources to settlers for their domestic use.

SEC. 13. That the colonization board is hereby authorized to negotiate and cooperate with the owner or owners of any lands within or near public lands or reservations covered by a contemplated colonization project, whether such owner or owners be any individual, State, corporation, firm, or other concern, for the purpose of adapting, as far as may be practicable, the development and settlement of said lands to the colonization project involved; and the board may use the colonization fund to survey and examine such lands and formulate a plan for their development and settlement.

SEC. 14. That in case some plan made as provided for in section thirteen can be agreed upon by the board and by the respective landowners involved, the board may further use the colonization fund to carry out such plan: *Provided*, That said plan shall be in conformity with the ultimate purpose of this act as stated in section sixteen, and that written agreement be made that the plan shall be carried out and applied under the supervision of the board: *Provided further*, That all moneys from the colonization fund used under authorization given in this section shall be returned to said fund out of charges made against the land in question, in such installments and within such period, not exceeding fifty years, as the board may specify, and no moneys shall be thus advanced until guaranties satisfactory to the Secretary of the Treasury shall have been made for the reimbursement of the same to the said fund: *And provided further*, That the total sum advanced as aforesaid for any one project shall not exceed the total of sums advanced for like purposes upon said project from sources other than the United States Government.

SEC. 15. That the provisions of sections thirteen and fourteen of this act shall, in addition, apply to colonization projects in cooperation with any individual, State, corporations, firm, or other concern for their lands wherever located in the United States, whether or not said lands be in the vicinity of any public lands or reservations.

SEC. 16. That the colonization board is hereby authorized to delegate to any of its agents such of its powers and duties under this act as it may deem necessary; and said board is further empowered, authorized, and directed to make such rules and regulations and establish such services as may be necessary and proper for carrying out the ultimate purpose of this act, said purpose being to so utilize or cause to be utilized the resources within the United States, however owned, as to secure for actual or prospective American citizens permanent and profitable employment.

SEC. 17. That all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Mr. Crosser desires to be heard.

**STATEMENT OF HON. ROBERT CROSSER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO.**

MR. CROSSER. Mr. Chairman and gentlemen of the committee, as the title of the bill indicates, its purpose is to provide new opportunities for employment. Of course, as all students of the subject know—in fact, it does not take a student to realize that land is always essential to labor. All wealth comes from the earth. Therefore it occurred to me that a very proper method to pursue toward the solution of the labor question would be to provide means whereby those who desired might find an opportunity to apply their labor to the land, and I conceived the idea of having the public lands of the United States and other lands now in private ownership, but which the Government might get at a reasonable price, set aside for the purposes I have indicated. I have suggested in this bill that the Secretaries of Labor, Agriculture, and Interior cooperate toward this end and have denominated them as a colonization board, whose duty it should be to look over the lands of the United States which are at present public lands and other lands such as I have suggested, with the idea in view of determining what would be suitable for the pur-

pose of colonizing those people who would like an opportunity to develop the lands.

It is provided in the bill that there shall be established a colonization fund amounting to \$50,000,000. That is a rough estimate. Of course, it would have to be increased afterwards in order to work out the idea in an entirely satisfactory manner, but the bill provides \$50,000,000 as a fund to start with, and which should be loaned to those who might seek the opportunities provided for in the bill, and should be loaned in this way: That the colonization board could examine into the subject; if they found it was a proper place at which to establish a colony, or whatever it might be called, they should loan to the different men or women who might decide to take up a tract of land a sufficient amount to maintain their families, the amount of land taken up in no case to exceed 320 acres, and the amount loaned to be such proportion of the value of the improvements to be made as the colonization board might think proper. Not only that, but when there were enough people gathered together in any one place to form a substantial community, that the Government may develop public utilities, like electric-light works, sewerage systems, water-supply systems, and everything that goes to make up a comfortable and decent community.

One of the troubles at the present time in some parts of the far western country is, even where a man has a chance to go out and work on the land that is reasonably cheap, the fact that he is alone there, without any community cooperation, and that prevents him from enjoying life even to the smallest degree. It is a case of almost living in a hovel—living a dog's life. This bill would authorize the colonization board to establish these different public utilities and public service and charge the same against the land or against these different tenants who may be allowed to go upon the land in question. It is provided further that the United States Government through the colonization board shall pay to the local government, which might have jurisdiction over the land, the taxes assessed against the land and deduct that amount so paid from the interest and the tax or rent that they might get from the land itself. They would not deduct it from the interest, but from the reasonable percentage, say 5 or 6 per cent, which they would collect on the value of the land which would be held; they would deduct from that the amount of the taxes, which might be charged against that land by the township, the municipality, the State, or the other local government, which might have jurisdiction to tax the land. The United States Government would pay that amount and deduct it from what it collects in the way of tax or rentals equal to the normal rate of interest, which, in my part of the country would be about 6 per cent on the actual value of the land. If there was any balance the board would take charge of it, although I doubt very much whether there would be any balance. This, in a general way, explains the plan.

I will not undertake, at this short hearing and with so few members of the committee present, to go into the details of the bill. However, I want to call the attention of the committee to the last annual report of the Secretary of Labor, or at least to certain sections of it, under the head of "Labor distribution." The Secretary of Labor, after discussing the making of new opportunities for employment

and for getting the jobless man and the manless job together, goes on to say:

It will not be enough to hunt "manless jobs" for "jobless men." Any efficient public employment service of a national character must go beyond that. Unless it does, "manless jobs" giving out while "jobless men" remain, the causes of involuntary unemployment will continue to express themselves to the great prejudice of the wageworkers of the United States, and, consequently, to the harm of all industrial interests. In my opinion, therefore, the labor-distribution work of this department should extend to some such development of the natural resources of this country as will tend to make opportunities for workers greater than demands for work and to keep them so.

For this purpose further legislation will be necessary. But it need not be either voluminous or revolutionary. Nothing more is required than a judicious utilization of Government lands.

Title to some of the old public domain still remains in the Government. By a recent decision of the Supreme Court Congress is soon to have the power, and to be under an obligation, to treat with land-grant railroads regarding the terms on which large areas of that domain heretofore granted away may be restored.

Mr. LONDON. What decision does that refer to?

Mr. CROSSER. That is the decision rendered by the Supreme Court of the United States in regard to the Union Pacific Railroad, I believe, although I am not quite certain whether it was the Union Pacific or the Southern Pacific. However, it was one of the Pacific railroads. That company had gotten thousands and thousands of acres—yes, square miles, of land given to it by the Government years ago on the condition that it would sell the land at a price not exceeding \$2.50 an acre. Instead of that the railroad company proceeded to sell it for a great deal more than that and sold the timber for more than \$2.50 an acre. The Government then contended that the company had violated the contract and that, therefore, the title to the land reverted to the Government as a consequence. But the Supreme Court held that that had not happened and rendered a sort of compromise decision in which they said that they would hold the matter in abeyance until Congress had had an opportunity to reimburse the railroad company, or buy back, so to speak, at \$2.50 an acre, the remaining land.

There is a bill for that purpose now pending before the Committee on Public Lands of the House, which bill they are trying to have passed, as I understand. While I think it is unfortunate, of course, that the Government must pay \$2.50 an acre for what really belongs to it, yet, rather than see this land get into the hands of monopolistic institutions I would prefer to see the Government pay \$2.50 an acre and get back those very large areas of very good land. The real difficulty will come when the Government undertakes to make provision for giving it away again, and I am afraid it is likely to do exactly what it did before, namely, provide for parceling it out to alleged homesteaders who will almost immediately find that their lands have gotten into the hands of a few speculators, as always happens under that method of treatment. It is to prevent this result as well as accomplish other things that I propose this measure.

Now to continue with my reading of the report of Secretary of Labor. It continues:

There are extensive areas of privately owned but unused farming land in most or all of the States, which might be acquired by the General Government for promoting labor opportunities as advantageously as other areas have been

acquired or retained by it for the creation of public parks. If Congress were to adopt, with reference to those lands, a policy of utilizing them for promoting opportunities for employment, the benefits of the labor-distribution work of this department, and of State and municipal public employment offices throughout the United States, would be vastly augmented.

For such a policy the homestead laws seem to afford a legislative basis and their history to furnish valuable suggestions. Those laws relieved the industrial congestions of their day by opening the West to workers of pioneering spirit who set up individual homes and created independent farms in waste places. But the day of the individual pioneer is over. From the Atlantic he has moved westward until the Pacific throws him back again into crowded spaces, and new forms of industrial congestion have consequently developed. To the relief of these, the old form of homesteading is not adapted; but the homesteading principle persists. The problem is how to adapt that principle to changed circumstances.

One necessary condition is that the General Government shall retain title to the public lands it already holds. Another condition is that from time to time it shall reacquire title to such lands formerly owned by it but now privately owned, as are held out of use and may be reacquired upon reasonable terms. Still another condition is that the Government from time to time shall acquire title to such privately owned lands in different States as may be usefully devoted to the purpose of opening opportunities for employment. All this need not be done at once. A satisfactory beginning may be made with public lands available for the purpose in question. But it is necessary that the Government shall not lightly divest itself of title to any lands it may set aside for labor opportunities. Regulation of private tenures created pursuant to this purpose should fit the circumstances of particular cases. It is therefore suggested that private titles to lands set aside for the indicated purpose to be so adjusted by the Department of Labor to its work of labor distribution as to prevent inflation of land values. This precaution is of extreme importance. Wherever inflation of land values might enter in, the proposed method of promoting labor distribution would be obstructed.

There is still another essential condition. Equipment for farming and education in farming, as well as a place for farming, are needed. All three, however, could be met by an appropriate unification of some of the activities of the Departments of Interior, of Agriculture, and of Labor. Pursuant to such unification, Congress might provide a "rotary fund" for lending purposes; that is, a fund to be used over and over again for those purposes, and to be maintained by repayments of loans. Out of this fund Congress should authorize the departments named above to make loans, through the Department of Labor, to settlers placed by this department upon lands set aside for that purpose in accordance with the authorized plan for thus augmenting labor opportunities. Those loans could be safeguarded, without commercial collateral, by resting them upon the best possible basis of industrial credit—ability, opportunity, and character—and by establishing in connection with them a system of community credits adapted to the circumstances.

By their educational processes the Departments of the Interior and of Agriculture could make efficient farmers of inexperienced but otherwise competent workers seeking that vocation. By its marketing plans the Department of Agriculture could guard borrowers from the "rotary fund" against commercial misfortune in disposing of their crops. By its labor-distribution functions the Department of Labor could bring the right men to the right places on the soil and settle them there under favorable circumstances. And by their several appropriate functions these three departments, cooperating under appropriate legislation, could multiply demands for labor in rural regions and minimize labor congestion at industrial centers.

I consider the following to be most important:

It is a reasonable prediction that such a policy would develop in country and city an economically independent and socially progressive population. The results would be analogous in our time to those of the homestead laws at an earlier period.

Mr. LONDON. Have you any statistical data as to the public lands still available?



Mr. CROSSER. I can not give it to you in exact figures, but I will try to get it before the next hearing. I had that in mind, but I have not had time to secure it.

Mr. KEATING. You can secure such data by calling on the Interior Department.

Mr. CROSSER. I have arranged to call Mr. Davis, who can give that information.

Mr. LONDON. And the extent of the public lands that are likely to revert to the United States after successful litigation against the railroad corporations?

Mr. KEATING. We have such a bill pending before the Committee on Public Lands at the present time. While I am not a member of that committee, I am familiar with the California-Oregon land-grant case.

Mr. CROSSER. That is the one I was trying to describe a few minutes ago when Mr. London asked me his question. I think I stated it correctly as far as the facts are concerned and the principle involved. The committee will note, therefore, that I have followed pretty closely the recommendation of the Department of Labor on this particular subject. If we can relieve the congestion in the so-called labor market in this way we will not only give a great deal better opportunity to those men who see fit to take up these lands which it is suggested be set aside for their use, but it will enable men in other parts of the country, both in the factory and on the farm, to get a better return for their labor in view of the fact that competition for an opportunity to labor will be much lessened.

Now, I do not want to talk any longer this morning, because I am here all the time. Mr. Marsh is here from New York; he wants to make a statement, and I know that he can give us a lot of very valuable data and information. I suggest that the committee hear him and that I give you more elaborate data at the next meeting if you will listen to me.

#### STATEMENT OF MR. BENJAMIN C. MARSH.

Mr. MARSH. I am secretary of the New York Congestion Committee. The New York Congestion Committee has been trying for a number of years to prevent congestion in various ways, and we have been astounded to find to how great an extent poverty is the cause of congestion in cities and all the evils that result therefrom. During the past year we have made an inquiry, which covered nearly every State in the Union, as to what are the greatest difficulties in getting people to work on farms and the greatest hindrances to farm ownership. I will be glad to submit later to each member of the committee a copy of that report, because you have not time to go into it, of course, to-day.

Mr. KEATING. Do I understand that it was a Nation-wide investigation?

Mr. MARSH. Yes. We communicated with the secretaries of state and with other State officials in every State of the Union, and we heard from all but four or five. The data is all summarized in a pamphlet of some 24 pages, which I will send to the committee after this hearing, because I think it would be of interest to every member of the committee.

Mr. KEATING. It might be well, if I may be allowed to make the suggestion, to summarize the results of that investigation and incorporate the summary as a part of your remarks.

Mr. MARSH. I will be very glad to do that.

Mr. KEATING. I think the committee would like to have such a report.

Mr. BROWNE. Is this congestion committee a private committee?

Mr. MARSH. It is a private committee; yes. Mr. Allen Dawson, of the New York Globe, is chairman, and Commissioner Frederick C. Howe is a member of the committee. The committee is made up of that sort of people. They are all in New York City, of course. Nearly every State, however, replied that the difficulty in getting people onto the land was lack of money or lack of credit, which is the same thing. I want to give the testimony, which is incorporated in that pamphlet, of an organization known as the Jewish Immigration and Industrial Aid Society of New York City, which is one of the best arguments which I have ever seen in favor of that which the Crosser colonization bill undertakes to do. This society, the Jewish Immigration and Industrial Aid Society, has a capital, as I recall, of about a million and a quarter dollars; they have placed a good many people on the land; and here is the statement, which I will quote verbatim; and if you are going to have a subsequent hearing I am going to suggest that Mr. Robinson, of that society, be asked to appear, because he has had intimate experience with this sort of thing all over the United States.

Mr. BROWNE. What is his full name?

Mr. MARSH. I do not know exactly, but I think George L. I wrote to several organizations and asked them to be represented here, but I have been unable to get anyone else to come, I am sorry to say. I have been away myself until about a day or so ago. But here is the statement:

On the whole, we would not feel warranted in advising any man to buy a farm unless he had a minimum capital of \$1,000. Even then he will need our assistance. Without it \$1,500 to \$2,000 is little enough. The same holds good even in homesteading on Government land where the land costs nothing.

I pause here to interpolate that the people of whom I have knowledge are without capital. Some of them have nothing, and I think that Mr. London, from his own knowledge of conditions in New York City, will confirm that statement.

Mr. LONDON. I know quite a number of people who have nothing.

Mr. MARSH. Now, I made some little inquiry as to the available Government lands, and, as my memory serves me, there are something over 200,000,000 acres, or maybe 232,000,000 acres, available. But here is the interesting point: I analyzed it State by State as to the sort of land that was available, and I found that it was described as arid land. It is rocky and mountainous land, and it needs irrigation. Of course, it will require a great deal of effort and work and the investment of capital in order to make it productive.

Mr. LONDON. That is something beyond the power of individual accomplishment.

Mr. MARSH. The individual personally can not compete with that situation. Now, may I give you gentlemen a few figures I have taken from the official reports on the subject of the concentration of ownership of farm lands? These are figures from the reports of the Census

Bureau for 1910. I tried to get the figures for 1915, but they informed that they have not been compiled, so that, while 1910 seems to be a long time ago, it is the last year for which these figures are available. In 1910 there were, in round numbers, 878,000,000 acres of farm lands in the country. Fifty thousand one hundred and thirty-five holdings comprised 167,000,000 acres in tracts of 1,000 acres or over; and 195,295 holdings comprised 84,000,000 acres in tracts of from 500 to 999 acres. Now, the individual, who living in New York City—

Mr. LONDON (interposing). How were those figures gathered?

Mr. MARSH. By the Census Bureau. They are compiled figures showing the size of the holdings. For instance, the area in farms under 20 acres was something over 8,000,000 acres, and the area in farms of from 20 to 49 acres was over 45,000,000 acres, etc. I have the figures here showing the size of the tracts in which the land is held. Now, of course, these land values are increasing constantly, and the increase in the value of farm lands, or, to be accurate, I should say the increase in the selling price of farm lands, is one of the greatest menaces to the man of small means who wants to go on the farm.

I would like to submit later, but I will not go into the details at this time. the figures given by the Census Bureau which show that on the small farms the value of the improvements is very much greater in relation to the farm value as a whole than it is in the case of large tracts of land, and that would naturally be the case. These facts, however, indicate the great need for just what the Crosser colonization bill will achieve; that is, by giving the individuals a start in farming and saving them from exploitation by land speculators and money sharks. Now, aside from the lack of money, people have a good deal of fear about going on a farm. Those people who live on the east side and have what we call east side ideas, do not like to go to farms. They are afraid to go. I know that this will be regarded as a paternalistic enterprise or project on the part of the Government. The trouble is that we have confined, or, at least, we have largely confined, our so-called paternalistic activities to the concentrated population or congested population of the large cities. We have been doing more for the people in our great cities than we have ever conceived or imagined it would be possible to do for them on farms. There are two things that must be done and they are provided for in this colonization bill: First, the Government has got to help the people to get the land; it has got to save them from exploitation under the present system of taxation after they get on the land, and then it has got to provide for that community cooperative effort which, it seems to us, is remarkably well provided for under this proposed colonization bill.

I want to refer also to the point which was raised by Congressman Crosser—that is, that we believe this bill meets the difficulty raised by the Secretary of Labor in his report for 1915 in regard to the inflation of land values, by taking a large part of the ground rent into the Public Treasury and also relieving farmers of their burdensome taxes. As the Secretary of Labor stated, “whenever inflation of land values might enter in, the proposed method of promoting labor distribution would be obstructed.” Now, the statistics give figures showing that 1 per cent of the farm lands of the country in 1910 was held in tracts of 20 acres or less. In round numbers there

were 839,000 such small farms. Of course, the proposed bill, as I understand it, provides that each family can hold 320 acres of agricultural land or 640 acres of grazing land. That would be the maximum, as I understand it, but probably in many cases they would not want to start with anything like that amount of land, and the maximum they would take, as I understand it, would be such a tract of land as they could make profitable use of.

Mr. KEATING. Some time ago I discovered that the Imperial Government of Russia in determining what was a homestead undertook to follow the common-sense plan of saying that in one section of the country it might contain 20 acres, while in another section of the country it might contain 640 acres, or more. In other words, they undertook to make the homestead a sufficient amount of land to support a family, which has not been our theory in this country. We have arbitrarily fixed homesteads at 160 acres, and later at 320 acres, and now, in a bill that has passed the House and is now pending before the Senate we have placed the limit at 640 acres; while, as a matter of fact, in a great many sections of the country 40 acres or 80 acres of public land would be a sufficient amount for a homestead, or a sufficient amount to support a family. In some sections of this country, it is true, 640 acres would not be sufficient for the maintenance of a family. There are a number of such sections in my own district.

Mr. MARSH. In Colorado?

Mr. KEATING. Yes, sir.

Mr. MARSH. Of course the term "homestead" is a general one. If you go into the business of intensive gardening near a large city, or within marketing distance of a large city, a tract of 30 or 40 acres would probably be adequate for market gardening purposes. I think that these figures show that the average sized farm in the Western States is much larger than the average farm in the Eastern States. Now I want to say that this is not a new idea, of course, except in this country. In England they have taken up the so-called small holdings and allotment act under which the Government does substantially what is proposed in this bill. The Government buys the land, and the people, as I understand it, draw for it, both in England and Ireland. The Government gives them the land free, but I think that this proposition is vastly superior to that. It has been two or three years since I studied carefully what was being done in England, but I visited some portions of the country some years ago.

This bill provides for a proper system of taxation to encourage rather than to discourage the farmer, by providing that the ground rents shall be taken, as Mr. Crosser has outlined, and a distribution made of them between the various taxing powers and jurisdictions in the district. I want to say, too, that while recognizing the importance of this measure, we want to call attention to the menace involved in the increasing selling price of farm lands, and to emphasize the fact that one of the very important aspects of this bill is that it provides against that condition by permitting the community created values to revert to the community. One of the most encouraging developments in England in recent years is the garden-city idea, which is along the same line for small manufacturing centers as is contem-

plated in this plan for the farm community. Under this plan, at Leftwich Village, one of the best known of the communities, which is only 40 miles out of London, all the Crown lands are opened for public use. The title to practically all the Crown land remains in the community, in the city, or corporation, rather than in individuals.

There is another point I want to make. I might note, in passing, that to my mind this is one of the few sane preparedness measures that has been proposed. It is the real sort of preparedness to which we can afford to give much larger attention and preparation than to the sort that culminates in a Wall Street fostered and Wall Street engineered parade in New York City. Now, there is another point: The proposed rural credits bill, we have been told, is a substitute for what is contemplated in this Crosser bill. I mention this because it seems to us that just the reverse is true. Without any disparagement of the objects sought to be accomplished by the rural credits bill, I would say that we must remember that it has a fatal weakness. A man must own his land before he can get any credit on it, and the moment you reduce the interest rate, you increase the selling price of the land, and I should say it is doubtful whether this rural credits bill will materially help the small farmer. It may help the man who has some land, but it is not going to help, as far as we can see, the man who is in the city and who wants to get on the land, but who has no land on which he can get credit for a loan. As soon as he gets money on a 4½ per cent loan the landowner will be in a better position to buy some more land, and he will probably want to have more because of the low interest rate he would be getting.

Now, that danger of increasing the selling price of land is met by this Crosser colonization bill, and it is very wise, it seems to us, that such a large measure of initiative and discretion is left in the colonization board. That is true, because this is necessarily an experiment, and, in my judgment, one of the things which the Government should do is to experiment, but it should experiment, as this bill provides, with the welfare of the people in mind, and not do it, as is usually done, by lending the Government credit to big corporations, as is sometimes done in subway contracts. This, as I say, is in the nature of an experiment, and there will be some mistakes made unquestionably, but there are bound to be mistakes made in any enterprise, or, at least, as I intended to say, there is the danger of mistakes. But this is distinctly a measure which our Government should undertake, and it should safeguard it so there would be the minimum possibility of mistake. Certainly it is bound to result in a great deal of good to the people, whom we have in increasing numbers, who are discontented with life in the cities, and who are a menace, because they are going to compete with men employed in the industries and will pull down wages all around. I am sure that no member of this committee is fooled by the fact that we have to-day better industrial conditions than we had three or four years ago. Of course, we realize the fact that it is not a question of one party or another, but this temporary prosperity which we have is in great part fictitious and is based upon war conditions.

In all probability at the conclusion of the war we are going to be confronted with a very serious industrial problem, and this bill ought to be passed this year, because it will take a few months to get the machinery outlined in the bill in operation. It is one of the most

important measures which can be adopted by Congress, because, while this fund of \$50,000,000 would reach comparatively few people, it is a rotary fund. As I say, this is one of the most important measures that Congress can adopt, in view of the conditions that are bound to confront us in a year or two at the conclusion of the war, or at least within two or three years. It is a measure that should be adopted, because it seems to us, as Mr. Taft said in his Winona speech in 1909, we have given away all the good land in the country practically, and now those who come for land must take the second best, third best, or land that is of no value at all. This is a measure which, I think, will receive very widespread approval. We have not carried on any vigorous campaign for it, but, as was stated by Mr. Crosser, we feel that it is such an important measure that we will be glad to cooperate in bringing the matter to the attention of the people throughout the entire country.

Now, if you have some questions, I shall be glad to answer them to the best of my ability.

Mr. LONDON. How much of the 230,000,000 acres of public land is usable for purposes of cultivation?

Mr. MARSH. That is a point on which I can not answer, but I presume it could be answered by some Government official. However, while it has been some years since I worked on a farm in Iowa, I should say, roughly, from reading the description of this land, that there might be several million acres available for such purpose. Now, I would not want to be quoted on that, because I do not know.

Mr. KEATING. Along this line I might be able to give some information, because I live in a district where there is a considerable area of this land. Within the last two years, in the third congressional district of Colorado, there have been between 8,000 and 10,000 homestead entries on so-called dry land. Prior to two years ago this land was regarded as grazing land and not available for agricultural purposes. Each of those homestead entries comprises 320 acres, and if you will multiply 10,000 by 320, you will get the area of that land which has been taken up within a period of two years by the land-hungry citizens of this country in one congressional district in the West. That movement, I think you will find on investigation, has been quite general all over the West during the last two years. There has been an amazing movement from the South and Middle West to the arid and semiarid lands of the intermountain West within the last two years. It is a movement which has attracted but little public attention, even in the States where it has taken place; but I have in my office now a list of names and addresses of between 8,000 and 10,000 men and women who have made their filings in my district within the last two years, and the list is by no means complete.

Mr. NOLAN. I think you will find that to be an exceptional condition. I do not think you could locate 5,000 people on the public lands in the State of California, unless they were put on timberlands. I do not think you could get all over the State of California homesteads on public lands for 5,000 people, unless they took them on timberlands. All of the good locations have been taken up by the railroad companies through land grants that were made to the Central Pacific Railroad Co. in years gone by.

Mr. KEATING. Mr. London inquired as to the extent to which these lands were available for the purpose of this bill.

Mr. NOLAN. I am referring to lands owned by the Government of the United States. The State, of course, has considerable land that is open for settlement.

Mr. CROSSER. The timberlands to which you referred, if cleared, would be good agricultural land, would they not?

Mr. NOLAN. Most of that land that the Government owns now is in forest reserves.

Mr. CROSSER. This bill provides also for forestry work.

Mr. NOLAN. Of course, a great deal of that land in the forest reserves would yield a great deal of money to the Government in clearing off the timber, and if the stumps could be pulled out, it would be good agricultural land. You are running up against a different proposition—that of reforestation.

Mr. MARSH. There is another point that I meant to refer to: We will assume that only within five years eight or ten million acres of land will be so utilized. There are now under 9,000,000 acres embraced in those small farms of 20 acres, or less, and there are 839,000 families on those small holdings. Now, when the Government begins to enable people to get on those public lands not now utilized, there will be a tendency, of course, by reducing the demand for other lands now held in large tracts, to create a little more competition for tenants and land buyers. So there will be a tendency to produce a reflex action which will tend to relieve the situation of people who want to go on land that is fairly well developed and privately owned. I want to make it clear that I regard this provision of the measure relating to the ground rents as one of the most important features of the bill. It is not by any means the only one, but we have seen so many experiments tried, the purpose of which was to help poor people, but which simply resulted in the land speculator coming in and taking all the advantage. In other words, we have helped the wrong man in a lot of our so-called charity efforts, or, at least, we have in New York City, where high rents are paid by the tenants to the great advantage of the landowners. That has been the case so often, that it is extremely refreshing to find a measure like the one here proposed, which goes right at one of the fundamental evils. It also recognizes definitely the fact that you must take up another aspect of the matter, which is community work, and that the Government has got to guide the people to the land, so to speak. There are two things accomplished: You prevent them from being exploited by land speculators and money lenders, and you also cooperate with them in providing recreation and educational features, which people have got to have on the farm. I am very glad that we have raised the standard of living so that people do not want to go on the farms or into the factories simply to be working machines.

Mr. NOLAN. You spoke of the importance of this measure and the necessity for having it passed at an early date. I suppose you realize, as Mr. Crosser naturally must realize, that with the condition of affairs in the House at the present time, it will be almost impossible before Congress recesses, or even in the short session, to give consideration to a bill of this kind, even though it might be reported by the committee.

Mr. CROSSER. Even so, if we should have it on the calendar during this session, it will be on the calendar in the short session.

Mr. NOLAN. But even in the short session we will have a number of bills from this committee that are very important and that would naturally precede it for preference on Calendar Wednesday.

Mr. CROSSER. We must take our chances on those things.

Mr. NOLAN. You must realize, also, that a bill of this kind which revolutionizes the method of disposing of the public lands will be likely to meet with heavy opposition. Very probably you would be confronted with serious opposition from the Committee on the Public Lands.

Mr. CROSSER. I do not know about that, but probably so.

Mr. NOLAN. I do not know whether you are aware of the fact or not, but this committee has already reported out a bill creating a national employment bureau in the Department of Labor, turning over to this national employment bureau the Division of Information in the Immigration Service. Now, the purpose of the bill I have referred to is the dissemination of information regarding unemployment, and the thought occurred to me that, with all these things confronting you, you might get action on this measure by offering it as an amendment to that bill in the Senate. I think the opportunity to take it up will come in a few weeks, because I will have recognition from the Speaker to take the matter up under suspension of the rules, and I do not anticipate any opposition. It seems to me that the Crosser bill might be drafted in the form of an amendment and introduced or offered to this other measure in the Senate. It would not do any harm anyway.

Mr. CROSSER. It is always a good idea to avail yourself of any opportunity you have to promote a bill. I am not wedded to any particular feature of this, so far as the machinery of it is concerned. I understand there may possibly be some objection in regard to this bureau of information feature at the present time. I did not know that when the bill was drafted, and I am not particularly concerned as to what bureau or division of the Department of Labor has it.

Mr. NOLAN. I simply offer the suggestion to you.

Mr. CROSSER. Of course, this goes further than the gathering of information.

Mr. NOLAN. Then, again, as you will undoubtedly press the bill at the next session of Congress, if this proposed bureau of information is in working order, it would be authorized to investigate the subject and report upon it. The bill that I introduced only has to do with the dissemination of information and cooperation between the local, State, and National employment bureaus for the dissemination of information and the distribution of labor. Now, you have provided here for a division of information that takes in about the same organization that is intended in my bill.

Mr. CROSSER. That is only one small feature of it.

Mr. MARSH. It seems to me that there is a vital distinction between the two things sought to be done, but as to the practicability or necessity for combining these matters, an outsider, of course, would not know. But I want to say that the finding of temporary work for people is no solution for the problem of unemployment, and this proposition goes much further and deeper than that, in that it tries to put people definitely on the land so that they will have a permanent relation to it. Now, we are getting to be a fluctuating body of working people. I know that is true in the great cities, because of



investigations that have been made which disclose that the working-man does not often own his home. The cooperative scheme of home owning we have not developed here as yet. But there can be no question of the fact, and it is an extremely important one, that the people are driven away from the land into the cities, and the purpose here is not simply to get them temporary employment in the country for 10 days—

Mr. NOLAN (interposing). Let me interrupt you there. My idea is to point out a way of getting action on this measure. I want to say this to you: That it did not need the introduction of the Crosser bill to suggest to my mind that the problem of unemployment ought to be considered in connection with the land question. The proper place for the unemployed is on the land. That has been my notion for a good many years, and I have done some things in a practical way to try to bring that about. The thought occurred to me that there was no chance of getting action on this measure at this session of Congress, but that if the department could get the machinery provided in my bill in operation, it would have authority to make an investigation and a recommendation to Congress, which would be of help when this bill came up for consideration.

Mr. MARSH. I did not quite catch your point. I think it would be well to get your measure in operation, and then get the testimony of the bureau as to what is taking place over the country.

Mr. NOLAN. The department you quote here in support of this measure would be authorized to make an investigation and report to Congress.

Mr. BROWNE. I would like to have you take a case under this bill and state just what is to be done. Suppose Mr. London wanted to go on some land, just what steps would he have to take to do it?

Mr. MARSH. How he would go on the land?

Mr. BROWNE. Yes; if this bill were a law. I want an explanation of the revolving fund, the fund which you call a revolving fund, after you get the \$50,000,000.

Mr. MARSH. While I have read the bill very carefully, may I suggest that you permit Congressman Crosser to answer that question?

Mr. LONDON. Is not Mr. Crosser trying to revitalize the homestead law? Is he not trying to revitalize the homestead law in the light of modern conditions?

Mr. MARSH. It is bringing it up to date, but he is doing more. The bill which he has introduced is safeguarding the people and the homestead law.

Mr. LONDON. It is bringing up to date the homestead law in the light of the experience of the last 50 years, since the homestead law was adopted, or more than 50 years, as I think it was adopted in 1863.

Mr. CROSSER. I think if you were to elaborate a little on the question of speculation in land and how it involves this proposition, that you will answer the question that he has in his mind, just how it happens that at the present time we do have inflation and speculation.

Mr. MARSH. Well, take the farm lands out in Iowa—as I know that State very well; I went through college there and worked on farms there—where values have increased in some cases to \$250 an

acre. As I have figured it out, on the basis of the percentage of increase since 1910, the assumed selling price of farm lands in the country is about forty-one billions; in 1910 the selling price was given by the Census Bureau as twenty-eight and a half billions, roughly speaking. Now, the individual farmer has done something; he has put improvements on the land, ditched it, drained it, etc., which, of course, represent labor and investment, but in large measure the increase of farm lands has been in the more populous States; it has been in suburban lands within a radius of 50 or 100 miles of large cities, and it is a value which the individual farmer has not given to the land, but he owns the land and some of the people out West say, "We are going to work the land a little while and until it gets valuable; then we are going to retire, and on the high ground rents which we hope to get for the farm lands we are going to live in idleness the rest of our lives."

Those values they have created—but here is the point: When a man, who wants to work and make a living, comes to purchase such land he finds that farm lands, which he ought to be able to get for \$40 an acre, are up to \$200 an acre and he has got to pay a large price for that land before he can produce anything, or else he has got to pay high rents for it. Then, when he does produce anything he is soaked on every side. He has to pay so much for every bushel of wheat that he raises, for every building that he constructs, for every implement that he purchases, and for all of the machinery that he uses, and that takes away a very large proportion of the profits on the average farm. Personally, I am not an extreme single taxer, because I do not think that single-tax land values are going to yield enough money for governmental purposes, but that is not the point; the point is that the present taxes on everything a man produces make opportunities for land speculators and take away the profits of the working people on the farms as well as in the cities. And that this bill prevents. It is an object lesson in a sound, equitable, and just system of taxation, as well as providing other features.

Mr. NOLAN. The principal idea of this bill, though, is to take away from the congested industrial centers that surplus of labor that is always in the labor market, and which creates a very serious condition in this country from time to time, and to give a man an opportunity to get out upon the land and not only be of use to himself, but of use to the whole country—make a useful citizen of him and be useful not only to his particular community but to the State at large?

Mr. MARSH. To be an independent producer instead of a competitor for a job. In other words, it is to put the workingman of to-day in the same situation, as Mr. London has expressed it, as the workingman of 50 or 100 years ago. However, a man of to-day has got a great deal more to compete with when he tries to get onto the land.

Mr. BROWNE. I do not believe that people differ very much as to the need of such legislation. The only question will be: How far does this bill work it out so that the Government will not have to have more than that amount of money invested, and whether the people, generally, will take advantage of it? We have laws in our State something along this line, but no one takes advantage of them, because they do not think that they are workable; we get them on

investigations that have been made which disclose that the working-man does not often own his home. The cooperative scheme of home owning we have not developed here as yet. But there can be no question of the fact, and it is an extremely important one, that the people are driven away from the land into the cities, and the purpose here is not simply to get them temporary employment in the country for 10 days—

Mr. NOLAN (interposing). Let me interrupt you there. My idea is to point out a way of getting action on this measure. I want to say this to you: That it did not need the introduction of the Crosser bill to suggest to my mind that the problem of unemployment ought to be considered in connection with the land question. The proper place for the unemployed is on the land. That has been my notion for a good many years, and I have done some things in a practical way to try to bring that about. The thought occurred to me that there was no chance of getting action on this measure at this session of Congress, but that if the department could get the machinery provided in my bill in operation, it would have authority to make an investigation and a recommendation to Congress, which would be of help when this bill came up for consideration.

Mr. MARSH. I did not quite catch your point. I think it would be well to get your measure in operation, and then get the testimony of the bureau as to what is taking place over the country.

Mr. NOLAN. The department you quote here in support of this measure would be authorized to make an investigation and report to Congress.

Mr. BROWNE. I would like to have you take a case under this bill and state just what is to be done. Suppose Mr. London wanted to go on some land, just what steps would he have to take to do it?

Mr. MARSH. How he would go on the land?

Mr. BROWNE. Yes; if this bill were a law. I want an explanation of the revolving fund, the fund which you call a revolving fund, after you get the \$50,000,000.

Mr. MARSH. While I have read the bill very carefully, may I suggest that you permit Congressman Crosser to answer that question?

Mr. LONDON. Is not Mr. Crosser trying to revitalize the homestead law? Is he not trying to revitalize the homestead law in the light of modern conditions?

Mr. MARSH. It is bringing it up to date, but he is doing more. The bill which he has introduced is safeguarding the people and the homestead law.

Mr. LONDON. It is bringing up to date the homestead law in the light of the experience of the last 50 years, since the homestead law was adopted, or more than 50 years, as I think it was adopted in 1863.

Mr. CROSSER. I think if you were to elaborate a little on the question of speculation in land and how it involves this proposition, that you will answer the question that he has in his mind, just how it happens that at the present time we do have inflation and speculation.

Mr. MARSH. Well, take the farm lands out in Iowa—as I know that State very well; I went through college there and worked on farms there—where values have increased in some cases to \$250 an

acre. As I have figured it out, on the basis of the percentage of increase since 1910, the assumed selling price of farm lands in the country is about forty-one billions; in 1910 the selling price was given by the Census Bureau as twenty-eight and a half billions, roughly speaking. Now, the individual farmer has done something; he has put improvements on the land, ditched it, drained it, etc., which, of course, represent labor and investment, but in large measure the increase of farm lands has been in the more populous States; it has been in suburban lands within a radius of 50 or 100 miles of large cities, and it is a value which the individual farmer has not given to the land, but he owns the land and some of the people out West say, "We are going to work the land a little while and until it gets valuable; then we are going to retire, and on the high ground rents which we hope to get for the farm lands we are going to live in idleness the rest of our lives."

Those values they have created—but here is the point: When a man, who wants to work and make a living, comes to purchase such land he finds that farm lands, which he ought to be able to get for \$40 an acre, are up to \$200 an acre and he has got to pay a large price for that land before he can produce anything, or else he has got to pay high rents for it. Then, when he does produce anything he is soaked on every side. He has to pay so much for every bushel of wheat that he raises, for every building that he constructs, for every implement that he purchases, and for all of the machinery that he uses, and that takes away a very large proportion of the profits on the average farm. Personally, I am not an extreme single taxer, because I do not think that single-tax land values are going to yield enough money for governmental purposes, but that is not the point; the point is that the present taxes on everything a man produces make opportunities for land speculators and take away the profits of the working people on the farms as well as in the cities. And that this bill prevents. It is an object lesson in a sound, equitable, and just system of taxation, as well as providing other features.

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the statue books, but they are so complicated that they do not work out, and they can not accomplish any practical benefit. I would like to know how a man would start out under your theory, get his land, and then pay the Government back?

Mr. MARSH. Well, Mr. Crosser, shall I try to answer that?

Mr. CROSSER. Yes; go ahead.

Mr. MARSH. As I understand the bill—although I am not a lawyer, you know—it seems to work out in this way: The colonization board can make rules and regulations for the administration of it, but if I attempt to answer your question in detail I fear I would simply be making a poor trial at it. This, of course, may be called an experiment and some mistake might be made in it which would have to be corrected, but I know you are from a State which is not afraid to make experiments. Your State has made many helpful experiments and a great many have passed the experimental stage in Wisconsin. However, as I understand it, a man will make an application and the Government will give him certain land, or this board will give him certain land, 320 acres, or whatever the amount may be.

Mr. BROWNE. Does he have any chance to pick out where he wants to go?

Mr. MARSH. Well, the Government will use public lands.

Mr. CROSSER. The colonization board will designate a certain tract of land for that purpose.

Mr. BROWNE. Will a certain date be fixed before which a person must file on the land?

Mr. CROSSER. A person who wants to make use of that land will make an application to the colonization board, but he can not go all over the United States; he must select from the section of the country which the Government or the colonization board has determined would be available for such purposes. After he makes his application to the colonization board they will determine whether they will let him go on the land or not which, of course, they would, unless there were some very good reasons for a refusal.

Mr. BROWNE. As they have only \$50,000,000 to put into this they would naturally have to limit the number of applications.

Mr. CROSSER. They can not undertake more than they have the money for.

Mr. BROWNE. Will the applications of those first made be those which will first be granted?

Mr. CROSSER. Yes; the man who comes first would be given the first chance.

Mr. BROWNE. Out west, when they open lands, they have thousands, and sometimes tens of thousands, in line.

Mr. CROSSER. That is due to the fact that they are not figuring on the amount they can earn from their labor there but they are figuring on what is going to rise most rapidly in value and that which they can sell at a profit later. And that is the reason for the present difficulty.

Mr. BROWNE. After they go to the land office and file and land is assigned to them, 160 acres, or whatever the amount may be, what do they have to pay or what do they have to do?

Mr. MARSH. As I understand it, they can borrow from this fund and use the land as security, the land still being in the Government's

hands. They can borrow to put up buildings, and they can borrow for equipment for the farm, implements, machinery, and the like. Then the colonization board is going to collect what would be equivalent to about 6 per cent, as Mr. Crosser says.

Mr. CROSSER. I say that because that is what would be the ordinary rate in my part of the country. The idea is to capitalize the value of the land and then collect a normal rate of interest. That is the theory of the thing.

Mr. MARSH. The money is to be distributed among the governmental units which are operating in that locality.

Mr. CROSSER. Yes; that is the idea.

Mr. MARSH. I do not believe that in many localities it would be 6 per cent which would be required; I should say usually 4 per cent.

Mr. BROWNE. Now, how much would these men have loaned to them on these 160 acres—how much money?

Mr. MARSH. The value would be appraised by the colonization board or by the local assessors. Of course all land has to be appraised by the local assessors. Let us say it is put down, for the sake of illustration, at \$10 an acre, which would probably be pretty heavy for some of the land. One hundred and sixty acres would be \$1,600, but a good deal of it would be only \$5, which would be \$800.

Mr. BROWNE. Suppose it is \$1,600. How much could he get to help him clear the land?

Mr. MARSH. Fifty per cent of the improved value.

Mr. BROWNE. Would they let him have that before he makes the improvements?

Mr. CROSSER. The superintendent would see that he actually made the improvements.

Mr. BROWNE. Then they would advance him enough money to make the improvements?

Mr. CROSSER. Yes, sir.

Mr. MARSH. It is practically loaning the Government credit.

Mr. BROWNE. And he pays interest on that amount?

Mr. CROSSER. He pays interest on the amount loaned and then a small rental for the land, too, otherwise it would not be fair. One man might get land worth \$50 an acre, perhaps, and another man would get land worth \$5 an acre, and that would not be fair. So the bill provides that the colonization board shall collect an amount equal to about the actual rate of interest on the value of the land, as determined by the colonization board or other assessors.

Mr. LONDON. Is it intended that title to the land shall forever remain in the Government?

Mr. CROSSER. Yes; but the tenant can remain there forever, and his heirs or assigns can do so likewise as long as they work it; the only condition is that they must work it to keep it. He is guaranteed possession, but he is not given title so that it can be thrown open to speculation.

Mr. BROWNE. If he works it and pays his interest he stays there?

Mr. CROSSER. Yes, sir.

Mr. BROWNE. And if he does not pay his interest he gets off?

Mr. CROSSER. Yes.

Mr. BROWNE. They foreclose him?

Mr. CROSSER. Yes, sir.

Mr. BROWNE. When he gets it all paid off he can not own it in fee?

Mr. CROSSER. No; because that would let him throw it open to speculation.

Mr. BROWNE. Would it not be wise to provide that he could buy that land after he has paid everything due on it? Would it not be a good provision that if he ever became able to repay the Government he would be given the title in fee?

Mr. CROSSER. That is the crux of the whole thing, Mr. Browne. If you do that, of course it is then immediately open to speculation and inflation, the same as has existed during all of our time.

Mr. BROWNE. Do you not think that might be a stumblingblock? Nearly every man wants to own a piece of land in fee simple.

Mr. CROSSER. It would be a stumblingblock to a certain number of people.

Mr. BROWNE. I do not see but that if he makes the Government whole he ought to have the right to sell it.

Mr. CROSSER. Suppose he were to pay for the land at its then value; do you not see the difficulty? He has not paid them fully for the land.

Mr. KEATING. Is not this true, that you believe you should take for the community the values created by the community?

Mr. CROSSER. Yes, sir.

Mr. KEATING. In other words, this is a start toward establishing a tax on land values?

Mr. CROSSER. In these communities established by the Government there would be values created in a particular piece of land that has been reserved by the Government, but that value would not belong to any particular individual because he did not himself create it.

Mr. LONDON. You give a man all the benefits of actual ownership?

Mr. CROSSER. Yes, sir.

Mr. LONDON. And he has the right to transfer the land to his heirs, provided they cultivate it?

Mr. CROSSER. Yes; but they must use it, and they would only lose the land because of nonuse.

Mr. MARSH. It seems to me that the revelation brought out by the United States Industrial Commission in relation to the condition of tenants on farms in the Western States is an almost unanswerable argument in favor of this sort of an experiment, if you want it, because it seems to me it is the application of a sound system of taxation.

(Thereupon the committee adjourned until Monday, May 22, 1916, at 10.30 o'clock a. m.)

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COMMITTEE ON LABOR,  
HOUSE OF REPRESENTATIVES,  
*Monday, May 22, 1916.*

The committee this day met, Hon. Edward Keating presiding.

Mr. KEATING. I believe there is an additional statement of Mr. Marsh to be submitted by Mr. Crosser.

Mr. CROSSER. Mr. Chairman, I have here a statement by Mr. Marsh, who was before the committee last Thursday, elaborating the statement he made at that time.

**ADDITIONAL STATEMENT OF MR. BENJAMIN C. MARSH, EXECUTIVE SECRETARY NEW YORK CONGESTION COMMITTEE.**

Mr. MARSH. Mr. Chairman, at present there is relatively little unemployment, but this condition has always been temporary in this country, and in all probability immigration will be very large following the war. Temporary employment on farms is not, however, a solution of the problem of unemployment. It is necessary to have substantial ownership or permanent occupation, such as is secured by the Crosser colonization bill, in the provision that a permit or lease for the use and occupation of land shall be issued not only for the person to whom issued by the "designated heirs or assigns thereof."

The Thirteenth Census Report states that in 1900 2,024,964 farms in the United States were operated by tenants; in 1910, 2,354,676; an increase of 329,712, or 16.3 per cent.

The number of farms operated by owners owning the entire farm increased during that decade from 3,201,947 to 3,354,897; that is, by 152,950, or 4.8 per cent. In addition, in 1910, 593,825 farms were operated by owners renting additional land, an increase during the decade of 31.6 per cent. The area of farms operated by owners owning the entire farm increased during the decade 7.8 per cent; that of farms operated by tenants increased 16.1 per cent. In 1910 there were 37 tenant-operated farms in each 100 farms in the United States, as compared with 28 in 1890, an increase of 32 per cent during 20 years.

The value of land of farms operated by tenants increased during the decade 1900 to 1910, from \$3,938,470,322 to \$9,450,793,276; that is, by \$5,512,222,954, or 140 per cent; the value of land of farms operated by owners, in whole or in part, increased from \$8,482,651,225 to \$17,806,121,628; that is, by \$9,323,470,403, or 109.9 per cent.

The Monthly Crop Report of the Department of Agriculture for April 15, 1916, states:

The value of farm lands of the United States is estimated at \$45.55 per acre, as compared with \$40.85 a year ago, \$40.31 two years ago, \$38.10 three years ago, and \$36.23 three years ago. The census reported the value of farm lands in 1910 as \$32.40, and in 1900 at \$15.57 per acre.

In other words, the selling price of farm lands has, on the average, trebled in 16 years.

In 1902 the Federal Industrial Commission reported on tenant farming:

The result of this system (share tenancy) is that the renters rarely ever succeed by laying by a surplus. On the contrary, their experiences are so discouraging that they seldom remain on the same farm for more than a year. They are not only unable to lay by any money, but their children remain uneducated and half clothed. The system is apparently one of the most undesirable, so far as its effect on the community is concerned.

Similarly, the Public Lands Commission reported in 1906:

There exists and is spreading in the West a tenant or hired-labor system which not only represents a relatively low industrial development but whose further development carries with it a most serious threat. Politically, socially, and economically this system is indefensible.

The United States Commission on Industrial Relations reported last year, 1915:

Badly housed, ill-nourished, uneducated, and hopeless, these tenants continue year after year to eke out a bare living, moving frequently from one farm to



another in the hope that something will turn up. Without a large family the tenant can not hope to succeed or break even, so in each tenant family numerous children are being reared to a future which under present conditions will be no better than that of their parents, is as good.

The census reports the following facts in 1910:

Area of farm lands in the United States, acres..... 878, 798, 825  
 Value of farm lands in the United States..... \$28, 475, 874, 169  
 Number of farms in the United States..... 6, 361, 502

Size of farms.	Number.	Acreage.	Per cent.	Total land.	Assessed value per farm.	Average value, total.	Per acre of land.
(1) Under 20 acres.....	839, 166	8, 793, 820	0.1	\$1, 812. 00	\$956. 00	\$172. 89	\$91. 22
(2) 20 to 49 acres.....	1, 414, 376	45, 378, 499	5.2	2, 103. 00	2, 284. 00	65. 55	40. 00
(3) 50 to 99 acres.....	1, 438, 069	103, 120, 868	11.7	4, 175. 00	2, 649. 00	58. 22	38. 94
(4) 100 to 174 acres.....	1, 516, 286	205, 480, 585	23.4	7, 313. 00	5, 021. 00	51. 07	37. 05
(5) 175 to 499 acres.....	978, 175	265, 289, 069	30.2	13, 955. 00	10, 291. 00	51. 45	37. 95
(6) 500 to 999 acres.....	125, 295	83, 653, 487	9.5	23, 208. 00	17, 644. 00	34. 76	26. 43
(7) 1,000 acres and over.....	50, 135	167, 082, 047	1.9	56, 757. 00	43, 047. 00	17. 03	12. 92

It will be observed, first, that 28.5 per cent of the farm lands—nearly one-third—is held in tracts of 500 acres or over. As is well known, these large tracts are held by a relatively few very wealthy people, who, with the present low tax rate on land values, can afford to hold their land out of use, and can charge heavy rentals or prices therefor. The United States Commission on Industrial Relations refers to such holdings as follows:

The condition of agricultural laborers can not, however, be dismissed without referring to the development of huge estates which are operated by managers with hired labor on what may properly be called a "factory system." The conditions upon such estates are deplorable, not only because these estates, embracing within their boundaries entire counties and towns, are a law unto themselves and the absolute dictators of the lives, liberties, and happiness of their employees. It is industrial feudalism in an extreme form. Such estates are, as a rule, the property of absentee landlords, who are for the most part millionaires, resident in the eastern States or in Europe.

Second, that the selling price per acre—which has increased materially since 1910—renders it very difficult for the average small farmer to acquire a farm, and even more difficult for a peasant in a city, who wants to get on the land.

During the past year, the congestion committee investigated in every State of the Union what is being done to distribute population. State officials were asked, among other questions, "What is the greatest hindrance to farm ownership?" The following are typical answers:

California: Customary failure of new farmers to retain sufficient working capital after the land is brought to pay expenses until returns on the land can be secured.

Connecticut: Opportunities in cities for better living conditions for employer and employee.

Indiana: In the first place the high prices of land makes it difficult for a young man to purchase a farm. He must work on a salary or rent for a number of years before he can make a first payment on a piece of land. A second difficulty is the lack of long-time loans on easy conditions so that a young man can purchase a farm and pay it out on a series of payments through a number of years without paying practically double for his farm by reason of the high rate of interest.

Illinois: Rising land values; present credit system; dearth of Government land.

**Kansas:** The same difficulties as those in getting people to work on farms apply with greater force. Those who have sufficient capital to rent a farm and properly equip it are usually able to save enough to purchase a farm of their own within a few years. The greatest hindrance to this is the fact that so many are obliged to borrow the necessary funds to get their first equipment, and the interest on such funds, together with the rent of their farms and living expenses, sometimes reaches such an amount as to take them a long time to save sufficient money.

**Kentucky:** Lack of funds and inability to borrow on long-time notes.

**Louisiana:** Aversion to living in the country; rural conditions are, however, ideal in this State for success on the farm. Lack of money to make crops.

**Massachusetts:** The greatest hindrance to farm ownership is lack of capital. If some land bank could be devised, whereby a farmer could secure a loan on his property at a low rate of interest, and pay off both interest and principal in small installments, so that the face of the mortgage would be extinguished in 20 or 30 years, it would be a great help to those desiring to start in farming for the themselves.

**Minnesota:** Working in cities is more profitable.

**Missouri:** The man that owns a 160-acre farm clear in Missouri is or should be almost as independent as a king, and to say the least there are many kings in Missouri.

**Montana:** The desire to congregate in towns and the short hours of other occupations.

**Nevada:** Lack of money to buy land.

The Jewish Agricultural and Industrial Aid Society made the statement:

On the whole, we would not feel warranted in advising any man to buy a farm unless he had a minimum capital of \$1,000. Even then he will need our assistance. Without it \$1,500 to \$2,000 is little enough. The same holds good even in homesteading on Government land where the land costs nothing.

The secretary of the State of Utah stated:

It requires from \$2,000 to \$3,000 capital to get fairly well established on even free land, and more than those amounts when water must be purchased for irrigation.

On July 1, 1915, the total acreage of vacant public lands of the country was 279,544,494 acres, of which 172,987,912 acres were surveyed and 106,566,582 were not surveyed. This does not include Alaska. These lands were located in 25 States.

It may be thought that these vacant lands, which would make nearly 2,796,000 farms averaging 100 acres each, would meet the demands for farms for decades to come.

The General Land Office, in its report dated July 1, 1915, shows much of this land in many States and most of it in several States to be entirely unadapted for general farming purposes, and even where it is adaptable most of it could be made profitable only by the investment of much capital.

Only a few million acres are described as adapted for general agriculture. Most of this free land—235,000,000 acres—is located in eight States—Arizona, California, Colorado, Montana, Nevada, New Mexico, and Wyoming. Over 55,000,000 acres are in Nevada.

Several hundred thousand acres in each of the following States are described by the General Land Office as "agricultural" or "grazing:" Arizona, California, Colorado, Idaho, Michigan, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. There are 10,000 to 1,000,000 acres or more of farming land alone in each of these States.

By the end of the last century, we had given away all of the best of the free lands to private parties or to corporations. Under the home-

stead act 154,327,812.45 acres of land has been given away up to June 30, 1915, the number of final entries being 1,063,534. From the passage of the act of June 3, 1878, to June 30, 1915, there were 102,919 timber and stone entries and the area patented was 13,289,906.97 acres.

The Land Office informs us that no record has been kept of the amount of land that has been sold by homesteaders after they have established clear title thereto, but that the total has been very large, as it has been common practice to take Government land merely for the purpose of selling at a big profit.

The Crosser colonization bill applies the correct principles of land grants and taxation. The bill specifically provides that title to land shall remain in the United States Government, and that—

No permit or lease for the use of any parcel of land shall be issued except to the person by whom said land shall be actually used and occupied, and during a period only in which said land shall be used and occupied by said person or the designated heirs or assigns thereof.

Had we adopted this policy when the homestead act was passed, we should not be confronted with the problem for which the bill is a partial solution, for there is sufficient farming land in private ownership now to meet the needs of the country for many decades, could the land monopoly be broken up by heavy taxation of land values. This can not be done in most States, however, for several years, as their constitutions prescribe that the tax rate on all property must be uniform.

The bill provides for exempting from taxation the improvements made by the workers on the land, their implements and machinery, and in lieu thereof using the ground rents for meeting the cost of governmental units within whose jurisdiction the tracts are located.

This conforms to the recommendations of the most progressive farm and labor organizations. Several irrigation districts in California have adopted this system of taxation.

The Washington Grange at its convention in 1915 adopted the following resolution:

That we go on record as favoring the adoption of a system of taxation whereby personal property and all improvements would be exempt, and the burden be borne entirely by land values.

Many other State granges and the New York and California State Federations of Labor have indorsed this principle.

The value of improvements in and on the land, the implements, machinery, and live stock of the families on the lands under the supervision of the colonization board will greatly exceed the bare value of the land, so that securing revenue for local governmental purposes by taxing land values alone will save the families a considerable sum and make their enterprises more profitable.

This principle has been adopted in England in the cooperative communities, known as garden cities, with very good results, notably at Letchworth Village, near London.

The Crosser bill provides for the social and community life. Aside from the economic factor involved in placing people on the land, the lack of recreational and educational opportunities has been a serious factor in preventing the development of the country districts. This necessity is provided for in the powers delegated to the national colonization board.

The bill provides that under the control of the national colonization board, cooperative enterprises may be undertaken by the community, safeguarded by the requirements that current rates of wages shall be paid, and that the safety of workers in the operations provided for in the act shall be assured, workmen's compensation, etc.

Wide discretionary power is vested in the national colonization board, as is necessary in an enterprise of this kind, which is obviously an experiment.

By securing the cooperation of the Secretaries of Labor, the Interior, and Agriculture the experience of those departments is brought to focus on each undertaking. An unlikely project would not be undertaken, as the bill specifically provides that no project shall be undertaken—

which does not offer a reasonable presumption that the soil and other physical conditions and the markets and other economic conditions involved in such project will permit of immediate, continuous, permanent, and profitable employment for the settlers being located and colonized therein.

Adequate precedent for such governmental aid and extension of credit is found both in this country and abroad.

The granting of homestead lands subject to resale by the patentees has already been cited, as also the grant of governmental lands to railroads and other corporations. Other instances are the grants of lands to States for school purposes. Still further precedents, now being considered by Congress, are ship subsidies:

By successive acts, beginning in 1892, England adopted a policy of small holdings and allotments analogous to the proposals of the Crosser colonization bill, except that it was necessary for the Government to acquire land and pay private owners therefor. Under the small holdings and allotment act of 1907, the local Government board could advance four-fifths of the cost of improvements with the improvements as security.

Germany has continuously loaned State credit to small societies for constructing homes and to agricultural organizations conducted on a noncommercial basis or in which the profits were limited to a very small per cent.

The provision of this bill of small farms without means, who, under present conditions, must necessarily be tenants, will result in reducing the demand for farm land now prevailing, and will tend to thereby reduce the rentals, which can be exacted for such privately owned lands.

While the economic results, eliminated by the small appropriation—\$50,000,000—will be meager, the value of an object lesson will be of much greater importance than the few hundred thousand families that, at most, will be benefited by this proposal.

The annual increase in the selling price of farm land, due not to the ability or work of the owner but to the industry and thrift of the workers thereon, is a great menace to the welfare of the country. This can be remedied only by transferring taxes from labor and the products of labor to land values. The plan proposed by this bill will accord an object lesson of this equitable and natural system of taxation.

The Crosser colonization bill is a most important measure of preparedness for that industrial peace which we have failed to achieve hitherto. It will emphasize the fact that we have room in this coun-

try for several times our present population, provided access to the land is afforded, and exploiting financial and land interests are eliminated. Peasants who flock to-day to the great industrial centers constitute a menace to the trained factory operators, and reduce wages below the subsistence point.

The proposed bill points out the way in which we must secure a more normal distribution of population, and enable a larger proportion of the people of the country to secure a livelihood and have a more normal life on land.

Mr. KEATING. Secretary Wilson, of the Department of Labor, is here this morning, and we will be glad to hear him at this time.

**STATEMENT OF HON. WILLIAM B. WILSON, SECRETARY OF LABOR.**

Secretary WILSON. Mr. Chairman and gentlemen of the committee, a number of months ago when this bill was introduced by Mr. Crosser he sent a copy of it to me for an expression of my viewpoint in regard to it. I have been so busy with departmental affairs that I have not had time to go into a detailed criticism of the bill, as it has been prepared. However, the bill embodies some principles that it seems to me ought to be enacted into law.

I can recall, when a very little boy, hearing a song which was popular at that time, the refrain of which ran as follows:

Ho, boys, ho, don't take alarm,  
For Uncle Sam is rich enough to give us all a farm.

I do not think there is any question about Uncle Sam being rich enough to give every one a farm who desires to farm. The question is as to the willingness to do it.

In dealing with the problem of unemployment, which is more intense at some times than at others, I have come to the conclusion that it can not be successfully dealt with unless there is a freer access to the land, and better methods provided by which those who are out of employment in our large industrial and commercial centers can be enabled to go upon the land.

In enabling those who are out of employment in our industrial and commercial centers to go upon the land, it occurs to me that it would be an unwise thing, both for the present and for the future, to place them on the land as a matter of charity to the worker. It would lower his self-respect and be injurious to him.

This bill embodies a method by which they can be encouraged to go upon the land and can be helped to go there, without providing a charity of any kind, and without lowering the self-respect of the worker who seeks to avail himself of nature's resources.

There is a large amount of unoccupied Federal lands at the present time. The greater portion of the unoccupied land, however, is not available for settlement unless it is provided with means of irrigation. But there are some large tracts that can be utilized for dry farming. In addition, there are many of the States that have lands, nearly all the States west of the Mississippi River, and some of them east of the Mississippi River. Those States having public lands are naturally anxious for settlers to go upon them. To some extent the demand for settlers grows out of a desire that ought to be changed. It grows out of the desire of those who already occupy the lands to

secure the increased values that come as the result of more dense settlement, and consequent greater demands for the land.

In dealing with the problems that I have mentioned this thought has occurred to me, that we are annually receiving, by way of a head tax from aliens coming into the United States, sums ranging from one to four million dollars annually, in accordance with the amount of immigration that we have. It was not intended that this head tax should be a revenue tax. It was not meant as a revenue producer. It was originally levied for the purpose of providing the means by which the Immigration Service could be conducted and the alien taken care of when he arrived in the United States. It was placed, originally, in what was known as an immigration fund, from which the Immigration Service was maintained. A number of years ago it was transferred from that fund into the General Treasury, and it now goes into the General Treasury.

The alien coming into the United States becomes an immediate competitor with the wageworkers already here, whether alien, naturalized, or native, and makes it more difficult for those who are already here to secure employment at profitable rates.

Those who are in our industrial centers, who have succeeded to such an extent that they have the means with which to acquire land to move on to, equip, and live upon it until a return has been secured, usually consider that they have been sufficiently successful in our urban localities to want to remain there. It is only those who have not been successful enough to gather together sufficient means to equip themselves for agricultural pursuits who might be induced to go upon the land.

Mr. LONDON. Will you kindly repeat the last statement you made?

Secretary WILSON. It is only those who have not been sufficiently successful in our towns and cities to acquire sufficient means to equip them for going upon the land, who may be expected to be willing to go there.

Under ordinary circumstances and under ordinary banking arrangements, those people without resources can have no credits, and even under the new system of rural credits which is being developed, a man without personal effects or real estate can not avail himself of those credits, so that it would not be of service to those who are without visible means of credit.

And yet the great foundation of our institutions is not lands, is not personal effects; the great foundation of our institutions is the character of the man. I have felt then that we could, with perfect justice, under the circumstances, and with fair play to all parties concerned, take the head tax levied upon immigrants coming into the United States and place it in a fund to be used for the purpose I have suggested and utilize it in taking those people from our towns and cities who are willing to go upon available land, furnishing them with equipment, and, if necessary, with the means of subsistence until there is a return from the crops. I would not have the assistance given take the form of a gift, but rather the form of a loan, based upon the character of the man, and if need be, upon the community credits behind him.

In my limited experience—and by that I mean the contact that I have had with wageworkers in the community in which I have lived—

I have known numbers of men in various occupations who would have been glad to go into agricultural pursuits, if they had only known how they could secure the lands and live upon them until the returns from the crops came in.

Such a fund as I have referred to would provide the means. Having provided the means of occupancy and subsistence, the next step would be to furnish them with a soil survey, so that they may have a knowledge of the things that can be successfully produced on the place where they are located.

Following a knowledge of the qualities of the land, there should be given to them such information as they may need concerning the methods of preparing the land, of feeding the land, in other words, the kind of fertilizers that are necessary for the crops to be produced. They should have a knowledge of how to harvest, and finally, and of almost as much importance as the other things, a knowledge of the best method of modern marketing. All that information could be conveyed to them by the Department of Agriculture.

The money advanced to the person going upon the land would, in a very brief period of time, begin to come back into the Treasury, and could be used over and over again for the same purpose. That thought is not a new one by any means. Other countries have pursued a similar course. That is particularly true with regard to Germany. Germany has pursued a course of that kind in recent years. In earlier years Germany pursued a policy somewhat similar to that embodied in the pending rural credits measure.

In later years Germany has been pursuing a policy similar to the one that I have outlined, using the public funds as a basis upon which to work.

As is generally known, Great Britain has been pursuing a similar policy in recent years, particularly in Ireland. Our neighbor to the north of us, Canada, has for a number of years been furnishing equipment, in a limited amount, to those who go upon her public lands. The Australian countries have been pursuing a similar course. France has also, in a limited way, been working along those lines, so the idea is not a new one. The problem is how to work it out in accordance with the delegated and reserved rights peculiar to our institutions.

Having provided the means by which the workers in the cities may avail themselves of an opportunity to become agriculturists, the next problem that presents itself is how to prevent those who are in possession of the land, or who may hereafter come into possession of the land from combining it into large estates, and again changing conditions back to the point from which we started. This bill provides a means by which that can be accomplished, because it provides that the title shall always remain in the United States.

What is true with regard to combining the smaller tracts of land necessary for agricultural purposes into large estates, is also true with regard to that phase of the situation which our single-tax friends have come to call the unearned increment. By retaining the title in the United States, by providing a means by which those who go upon the land may, whenever they desire to change their occupation, leave the farms and go back into the industrial and commercial pursuits, the land can be taken over on an appraised valuation which gives credit for all of the actual improvement created by the

holder, and eliminates all of the increased value that has been produced by the community. In doing that you give an interest to the holder to proceed to improve the land, because he realizes that if at any time he should want to leave the land he would be compensated for his improvement, he would be compensated for his industry—a condition which does not always exist where he holds the title in fee simple; and at the same time you protect the future, you protect the subsequent holder of the land from being compelled to pay an exorbitant price for the land.

That, in brief, Mr. Chairman, is the viewpoint I have had with regard to the problem involved in this bill. It was referred to in the last annual report of the Department of Labor.

I believe that something of this character is absolutely necessary in order that we may properly handle the problem of unemployment. During periods of industrial activity, such periods as we are now passing through, the problem may not be such an immediate and pressing one as at other times, although it is still with us. Under momentary conditions, it is a problem of conveying information to the men who are out of employment as to where jobs are to be had. But that is not always the condition.

It is frequently the case that there are not as many jobs as there are men out of employment. One of the ways by which that can be permanently overcome is to find the means by which those who are out of employment, after all the jobs have been filled, can find jobs for themselves, not on a basis of charity, but on a strictly business basis, utilizing the character of the men and community credits as the basis of the loans that are to be made from the fund that is continually accumulating from the head tax paid by aliens who are coming here in competition with American wageworkers.

Mr. BROWNE. After a man goes on a piece of Government land, and makes improvements on it, say for a period of 10 years, and then wants to go into some industrial pursuit, those improvements are appraised and the man is paid that amount. When that land is re-sold, or re-leased to other men who want to go on the land, does a new tenant pay just the amount the Government has paid the other man for the improvements? How is that matter adjusted?

Secretary WILSON. That, of course, is a matter of detail, and that can be adjusted by paying exactly the amount the Government paid to the man who formerly held the land, or it can be adjusted upon a basis that would add a sufficient amount to cover the cost of the entire transaction. I can not, in my own mind, justify the exaction of anything more than the actual cost to the Government including cost of the operation of the system. In other words, the overhead charges imposed—

Mr. BROWNE (interposing). The great trouble I have seen in the State of Wisconsin in getting city people to go out on new lands—say, the cut-over land—has been the money problem, and then also their lack of knowledge of agriculture, and the fact that they did not come from an agricultural people, and their wives and families seemed as if they would almost rather starve in a city than go out into the country where the outlook did not seem promising.

Secretary WILSON. I suggest this method of overcoming that:

There are a large number of people in these cities who have had agricultural experience, both in this country and in foreign countries.



Of course, there are two different types of agricultural experience; that is, the agricultural experience of Europe and the agricultural experience of the United States. Those are two entirely different types of agricultural experience. Furthermore, particularly in the western part of Europe the cultivation is very much more intensive than in this country. Their implements are very much more primitive, because the territory they cover does not permit the use of the same tools which we use in this country.

But there are many who have that knowledge and who have the additional knowledge of soils, how to care for soils, how to fertilize soils, how to improve soils, who would be willing and anxious to go out upon those lands, State or Federal, if they had the means to go out upon them.

I have observed during my discussion of this subject this morning that those who are sufficiently successful to have the means to do that feel that they are doing well enough where they are and do not want to change. It is only those who are not successful, those who have not acquired the means who would be willing or anxious to go out upon the land. If they are to go out upon the land, then there must be provided for them the means by which they can, in a measure at least, equip the land. By that I have reference to their having a sufficient amount of tools and of stock and of seeds. And then they must also have the means of livelihood until a return can be had from the crops. They may have that themselves.

I think perhaps that the Department of Agriculture would furnish those who are taken out upon the land under methods provided in this bill with soil surveys, so that those people could determine what the lands are particularly qualified to produce. Second, they should have a knowledge of the class of fertilizers that are necessary; third, a knowledge of how to proceed in the handling of the tools and the working of the soil; fourth, they should have a knowledge of how to harvest the crops that have been grown; and, fifth, they should have a knowledge of how to market those crops. That information is being gathered from time to time by the Department of Agriculture, and could be made available to these people.

Mr. CROSSER. Mr. Secretary, in order to throw some light upon the question which Mr. Browne asked you, I would like to ask you a question. Mr. Browne spoke of the dislike of the average town or city man to go into the country to work, even if he has the opportunity. This bill contemplates making it a little more attractive for a man to go into the country by forming communities, and there would not be any of these lands unless the colonization board should come to the conclusion that a certain location would probably be a desirable location for such needs, and therefore they would have a community life.

Secretary WILSON. That is another phase of the subject. There have been a number of causes which have been responsible for the drift from the country to the city, and which have prevented this drift from the city to the country. One of those causes has been the fact that our entire agricultural system has been built up on a pioneer system, where the head of the family has gone out into the wilderness and hewed out a home for himself, frequently far distant from the home of anybody else; and as time has gone on and the families have grown up the members of the families have been lack-

ing—at least, to a considerable extent—in the same pioneer spirit that existed in the minds of the parents. They have not had the advantages of community life, and they seek those advantages. It is proposed in this bill to establish community life; so far as that is possible, in rural communities by establishing a town center from which the lands held may emanate, and by taking colonies, if need be, out onto the lands in sufficient numbers to create a community center.

However, I would go further than that in handling the proposition. I would not stop solely with the colony. If the individual wants to find expression for himself, separate and apart from the colony, I would give him the opportunity.

Mr. NOLAN. You have read the bill, Mr. Secretary?

Secretary WILSON. I have; but, as I stated at the beginning, I have not given it a close enough examination to be able to make a detailed criticism of it, and I have come before the committee this morning at the solicitation of my friend Mr. Crosser, in order that I might express my viewpoint concerning the general principles involved in the bill.

Mr. NOLAN. Bearing in mind the little opportunity you have had to study the bill, do you think it would be better to put this bill through, with all the machinery that is provided for, than to create this organization with broad powers?

Secretary WILSON. I could not approve the bill in its present state, nor am I prepared to disapprove it. So far as the administrative machinery which is provided in this bill is concerned, I am not prepared to say that it is the kind of administrative machinery that should be provided. Personally, I do not think a great deal of machinery is necessary, nor do I believe it is an advisable thing in starting with an experiment to surround it with too many limitations, because if you surround it with limitations then your experiment is bound to be hampered in its operations, and I prefer, in measures of this character, which are of an experimental nature, to give as much latitude to the administration of them as is possible, so that it can be handled in whatever way experience demonstrates to be best.

Mr. NOLAN. That is why I asked the question, because I had in mind legislation that this committee recommended to the House early in the session creating a bureau of labor safety, and at that time that very proposition was discussed, to the effect that putting in the machinery for the bureau would be largely restricting its opportunity for development. In hurriedly reading this bill I notice that it creates a board, that it defines the powers and duties of that board. The question was whether you thought it would be better to give such a board broad powers, both in regard to recommendation and administration, rather than to restrict the board?

Secretary WILSON. If I were handling the subject matter myself, the course I would pursue would be to suggest that a subcommittee of the entire Labor committee be appointed for the purpose of whipping this measure into administrative shape.

Mr. CROSSER. What you were discussing, Mr. Secretary, is the principle that this organization referred to in the bill is supposed to carry into effect.

Secretary WILSON. Yes.

Mr. CROSSER. And so far as that principle be concerned, you are not in doubt about it at all?

Secretary WILSON. Not at all.

Mr. SUMMERS. I am not familiar with the detailed provisions of this bill, Mr. Secretary, but it seems to be a scheme for organizing a rural community and putting it onto the public land, and so far as I can see, those people will not be selected with any regard to their congeniality or fitness.

Secretary WILSON. That would be purely an administrative matter.

Mr. SUMMERS. I am not familiar with the details of the bill.

Secretary WILSON. My own idea would be not only to take people out onto the land in colonies but also to provide the means by which an individual could go upon the land.

Mr. SUMMERS. You would have to be pretty careful in taking people out on the land who are inexperienced in agriculture. You take a man from the city, and he would come nearer to making a success in working land if he were located in a community of farmers rather than if he were located among other people with a similar lack of experience as himself.

Secretary WILSON. In my judgment, if they go out in sufficient numbers to establish community life and are given the opportunity of association, the colony would be large enough for all practical purposes, and if you make the colony too large, in a single community, with fewer farmers in the immediate neighborhood, there would be less likelihood of their being successful.

Mr. NOLAN. The underlying principle in the bill is the creation of an opportunity, is it not?

Secretary WILSON. Yes. The underlying principle is to utilize the character of the individual, plus such community credits as may be established, as a basis upon which to loan funds to the individual or the colony to proceed upon the land, and then work out the machinery by which they can be made practical farmers, at the earliest possible moment.

Mr. KEATING. We are very much obliged to you, Mr. Secretary.

**STATEMENT OF MR. ETHELBERT STEWART, CHIEF STATISTICIAN, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR.**

Mr. KEATING. Mr. Stewart, I wish you would state for the record your official position.

Mr. STEWART. I am chief statistician, Bureau of Labor Statistics, Department of Labor.

Mr. Chairman, Mr. Crosser called me up yesterday morning and asked me to attend this hearing. I am free to admit that I have come with comparatively little preparation. However, as chief statistician of the Bureau of Labor Statistics, I would like to say that we are more anxious to find out what the committee wants in connection with this bill, so that we can get the materials together for you, than we are to impose our views upon you.

The question of unemployment has been one that the Bureau of Labor Statistics has attempted to handle in a statistical way for some time, and it is a far more serious question than most people imagine.

For instance, take the situation as it existed in a good year, say in the year 1900, which was a good year. In that year there was an average of 2,177,000 idle men for the 12 months of the year. That is to say, 3,000,000 men were idle on an average of 2 months, 2,500,000 were idle on an average of 5 months, and 736,000 were idle on an average of 9½ months, making the total average of idle men for the 12 months of 1900 of 2,177,000. As our industries are organized, from 3 to 5 per cent of our industrial population are idle all the time. Not that the same men are idle all the time, but there is that number of people who, under ordinary industrial conditions, are necessarily out of employment. I am not speaking now of the unemployable in the sense in which that term is sometimes used; I am not speaking of the down-and-outer. I am speaking of the people who are ordinarily at work when they can get work.

The volume of unemployment in the United States, Mr. Chairman, under the best conditions is simply appalling, far more than it is in the other industrial countries of the world.

I perhaps may be pardoned if because of the position I occupy in the Bureau of Labor Statistics this seems to me more serious than it does to most people. It is borne in upon us every day. I want to say, Mr. Chairman, that I do not want to be considered an alarmist. I am not a political "scareocrat." But there are some verses by Mr. Hughes which I would like to put into the record. And I would like to say that I agree with the estimate of the problem which he expresses in those few lines.

Mr. BROWNE. What Mr. Hughes is that?

Mr. STEWART. That is Mr. Hugh J. Hughes, of Minneapolis.

Mr. KEATING. If there is no objection, that may be inserted in the record.

(The matter referred to is as follows:)

#### THE UNEMPLOYED.

By Hugh J. Hughes.

I am the shifting sand beneath the walls  
Ye build and call the State. I am the Fear  
That haunts you in your boastings and your dreams;  
Your dead youth's lost occasions! Yea, I am  
The corse beneath the fabric of your Dream!

I am the shifting sand beneath the State.  
Your laws, your customs, creeds, I undermine.  
I laugh at your conventions, meant to bind  
Your Creeds! To me they purvey only lies.  
So as ye build, I bury that ye build;  
The walls ye rear upon me do decay.

I am the dream of Evil ye have dreamed;  
The uncouth Hun, the Vandal, and the Goth;  
The savage come again to leer, and laugh  
Into forgetfulness the domes ye build.  
Your learning, culture, visions—these shall fade,  
And I shall pour your wisdom into pools  
To sink, and fail, and so be lost to man.  
I am the youngest Anarch of the world:  
I neither love nor hate, I only leer,  
A gibbering ghost of manhood, o'er your dreams.

I am your Brother driven forth to die!  
 These are your cities, empires, and demesnes.  
 And these your doles—to toll! and still to toll!  
 To render unto Cæsar, not the tithe,  
 But all, that Cæsar of his will bestow  
 That in his wisdom "recompense" is writ—  
 The helot I, your brother equal born!

These are your cities: I will make them dust!  
 These are your empires: they shall disappear  
 These your demesnes—Forgetfulness shall be  
 Of all ye said, or did, or hoped, or sung!

Ye did inherit much, and did take all;  
 So I shall ravish in its bloom your hope.  
 Shall make your boast of culture all a lie,  
 Shall make you know the emptiness of dreams!

Hear once again the word of him ye scorn!  
 I am that Ishmael ye have doomed to die;  
 I am the fair Occasions ye have flung  
 Aside as void of value and of life.  
 I am the Fear that haunts you in your halls  
 And senates, and the temples of your God.  
 And as your systems crumble and decay  
 Heed well that I did tell you and now tell;  
 I am the shifting sand beneath the State!

Mr. STEWART. If, then, the industries as established and conducted can not or do not absorb all the labor seeking employment under normal conditions, something must be done to provide employment, not only for the normal idle men but for the waves of abnormal unemployment.

Mr. SUMNERS. Do you think this bill will be able to do that?

Mr. STEWART. I do.

Mr. SUMNERS. How will it do that?

Mr. STEWART. I was just coming to that.

Mr. SUMNERS. We understand the need of getting people jobs, but I would like to know how the bill will do that.

Mr. STEWART. As to the means of getting employment outside of the industries, since they are manifestly unable to cope with the problem, it seems to me that the colonization of people on the land is a move, at least, along the lines of least resistance.

I want to say that England has a commission now at work to colonize people after the European war. Germany has not only such a commission for that purpose, but has a commission which is already at work along that line. Canada is undertaking the study of the subject of colonization.

What we need to do in connection with the matter of getting people upon the land is to enroll first the Americans in the city. There many of them are of the farmer stock. They know what the farm means, and they do not want any more of it under the old conditions. If they can be shown that this bill relieves the burden which makes farming intolerable they will change their minds.

I wish to say right here that I was raised on a farm, and if it were a question with me of going on the farm to raise the means by which to pay a mortgage on that farm, my boyhood's experience would deter me. If I were able to buy a farm, well equipped and free from debt, I would quit my job in the Department of Labor

this afternoon. But to go upon a farm and to try to make the farm raise a mortgage—no; I thank you. I have been there.

Now, this bill does enable a man to meet and overcome the hardships that make farming especially undesirable. In the first place, it does away with the interest on the mortgage. In the second place, it does away with the lonesomeness on the farm. I believe that colonization is the only way in which you will ever get people to go back to the land, especially the American people. The American of the Davy Crockett type, who left his farm in Kentucky and went to Texas because somebody settled within 180 miles of him, and he was not going to have any squatters coming around in his back yard—that type of man is no more. We are becoming more and more social beings.

The main trouble with getting the immigrants on the farm is the fact that farming in Europe has been such intense drudgery, and the women and immigrants will not go upon the farm because they can get along better in the cities, as hard as it is.

Now, with a colonization scheme and with the immigrant people as well as the American people being shown that the drudgery and hardships of farming as it is in Europe and as it used to be here is unnecessary, I believe that a sufficient number of people would go to the farms to relieve the congestion in the cities.

I would like to submit, Mr. Chairman, a short review of the latest colonization scheme in England as a part of my remarks.

Mr. KEATING. Without objection, you may incorporate that in the record as a part of your remarks.

Mr. STEMART. It is a review of an English report printed in one of the publications of the bureau.

(The matter referred to is as follows:)

#### LAND SETTLEMENT AND UNEMPLOYMENT IN ENGLAND.

Land settlement for the relief of unemployment contemplates two purposes: Relief from the congestion of industrial workers in urban centers and an increase in the agricultural production of the country by the addition of new supplies of labor upon the land. Such a policy of land settlement was outlined in general terms in the annual report of the Secretary of Labor for the fiscal year 1914-15. It was pointed out there that the mere securing of jobs for men was not sufficient relief for involuntary unemployment, and there was held to be necessary such a "development of the national resources of this country as will tend to make opportunities for workers greater than the demand for work, and to keep them so" (p. 44). This was to be done by an extension of the homestead legislation in such ways as to make possible by the Federal Government the colonization of workmen upon available public lands. It was felt that "the day of the individual pioneer is over."

Referring to this recommendation of the Secretary of Labor it is noteworthy that a recent committee of the British Board of Agriculture and Fisheries,<sup>1</sup> although in a somewhat different connection, makes a similar recommendation:

"We consider it essential that any scheme of land settlement by the State should be on the colony system. \* \* \* It would be quite impracticable for the State to undertake the provision of isolated holdings all over the country, and it would be impossible under such a system to provide the expert guidance and business organization which will be so necessary if ex-service men are to be settled on the land with the best prospects of success. Association in groups

<sup>1</sup> Introduction and Part I of the Final Report of the Departmental Committee appointed by the president of the Board of Agriculture and Fisheries to consider the settlement or employment on the land in England and Wales of discharged sailors and soldiers. London, 1916. 30 pp. fold. chart. A short summary may be found in the Board of Trade Labor Gazette, London, 1916. Vol. 24, No. 2 (February), p. 47.

is not only necessary for such men for these purposes, but it is also desirable in order to provide them with the social life to which they have become accustomed during their service with the colors. Moreover, there are fewer competitors for large blocks of land than for small properties, and it is often possible to obtain the land at wholesale instead of retail prices."

This committee was appointed to consider the question of the settlement for employment on the land of discharged sailors and soldiers upon the termination of the war. The first part of the report of this committee has recently appeared.

On the assumption that many of the discharged soldiers who may previously have engaged in agriculture will, on the termination of the war, be unwilling to return to that pursuit without special inducement, the committee deemed that State action would be necessary in order to supplement the existing machinery of the counties providing small holdings. It was pointed out that the efforts of the county councils in England and Wales had succeeded in providing land directly for only about 15,000 applicants in seven years, and as many of the returning soldiery will be men without any experience in farm work and life the difficulties of the future would be aggravated.

The committee recommends three types of grouped small holdings: (1) Fruit or market gardens, (2) dairy farms, (3) mixed farms, including possibly arable dairy farms. Assuming a minimum of at least 100 families to each village community, the minimum area should be 1,000 acres for a fruit and market garden settlement and 2,000 for a dairy or mixed-farm settlement.

It is contemplated that use shall be made of the expert agricultural advice of the department and provision be made for the organization of proper business methods, particularly along cooperative lines. It is proposed to provide a resident director for each colony for the preliminary instruction of the settlers, to give advice regarding the cultivation of their holdings, the purchase of supplies, and the disposal of products.

It is not recommended that the State should directly supply capital for the undertaking, but that it should take part in promoting, with State assistance, cooperative credit societies.

Mr. SUMNERS. Do you believe that any of the public lands are suitable for colonization in communities, except the land that is put under cultivation by means of irrigation projects?

Mr. STEWART. I think there is considerable of such land, but not as much as there ought to be.

Mr. SUMNERS. Excepting the land that is under cultivation by means of irrigation; that is, the public land of this Government, do they not have so much semiarid land and so much mineral land as requires their being appropriated in the first instances as a stock-farming proposition, which requires each man to have a good deal in order to make a living?

Mr. STEWART. I will say in answer to that question that we have had Mr. Magnusson, an employee of the Bureau of Labor Statistics, working on that public-land question.

Mr. SUMNERS. Then I will withdraw that question to you at this time.

Mr. STEWART. Mr. Magnusson has been working on that question for the Assistant Secretary of Labor for some time, and we desire to furnish the committee an answer to that question as soon as the material can be compiled.

There is another phase of this question, and that is in relation to the present, not only the present, but the upward trend of prices of foodstuffs for the last 10 years. That has been something simply appalling. As I see it, there is no end to it until we can get a greater percentage of the people producing foodstuffs, as compared with the percentage of people who are simply consuming foodstuffs. The prices of agricultural products, and of eggs, chickens, and butter

would also be an inducement for the city unemployed to seek the farm under the favorable conditions provided by this bill.

Mr. SUMNERS. But you know a great many people are going in from the country districts to the city.

Mr. STEWART. Yes.

Mr. SUMNERS. They are trained farmers, but they will not stay on the farms.

Mr. STEWART. They will not stay there. First, because they have no means to buy land at present prices, and can not or will not pay the rentals demanded. Second, because if they must live by labor the only chance for steady work is in the cities. They will not undertake the burden of debt now required in order to begin farming. In that connection I would like to submit the figures in regard to the proportion of people who rent land. The man who rents land and pays the present enormous rental, the number of farms which are mortgaged, as we are prepared to show you—a man can not pay all his mortgages, as he can not pay rents and do as well on the land in the country as he could in the city, even in the present precarious condition of things. Besides that, the increase in population of the farm families—the young people do not stay on the farm and seek work because the work is not on the farm, except for two or three months in the year. The jobs are in the cities, and the people are going to follow the jobs. As manufacturing is concentrated in the cities and the volume of manufacturing increases, of course the people from the country are going into the cities.

Mr. SUMNERS. The point is this: If you have such an economic condition so that the people in the country are attracted to the city because of conditions in the city which are more attractive, how then are you going to overcome that attraction to the city and get a man who has gone where the center of attraction is to go back to the farm?

Mr. STEWART. Make the conditions in the country more attractive, make the burden less onerous.

Mr. SUMNERS. That is the answer, of course.

Mr. STEWART. I think this bill which is now before you—that is, the purpose of the bill—will do that thing, because under the terms of this bill you relieve the man of the burden of the mortgage on the land, and you relieve him of the burden of rentals. In my own State, for instance, they are charging \$12 and \$14 an acre rental. Land that was bought of the Government by the present owners for \$1.25 per acre now rents for \$10 per acre. The land which sold there a few years ago—it seems a few years to me; it was 35 years ago—land which sold there for \$50 an acre is now being held at \$240 an acre, and with all the work I could put on that land at \$50, I could not raise the mortgage. You can not expect men to go back to the land under the present conditions, and you can not expect them to stay there with the present conditions existing. You must lift the burden of the conditions of agriculture, and, as I see it, this bill will do that.

I want to say, if the committee cares for it, we have translated the report of the German colonization scheme as it is being carried out during the war. It is a pretty long document, and perhaps you will want it very much condensed. It is 64 typewritten pages.

Mr. KEATING. Is it a report on the German system?



Mr. STEWART. Yes.

Mr. KEATING. The Chair would suggest that it might be condensed.

Mr. NOLAN. Do you intend to publish that in the form of a bulletin?

Mr. STEWART. Not in its present shape. I do not think we would ever get time to boil it down. It could only go in our Monthly Review, and it would have to be boiled down to 10 or 12 pages. We could get this report down to 25 or 30 pages for the use of the committee, if you desire to have it.

Mr. KEATING. I think the committee would appreciate it if Mr. Stewart and his assistants would prepare the information which is contained in that report and insert it as a part of your remarks.

Mr. STEWART. I am here, gentlemen, more to find out what we can do to give you the information you want, rather than to try to express my views in connection with this matter.

Would you want the number of farmers by States who own their land and who have mortgages on their land and who pay rentals?

Mr. SUMNERS. That is in the census report, is it not?

Mr. STEWART. That is in the census report, but we could get it out in a more condensed form.

Mr. KEATING. I think it would be well to have that, and a brief statement of what other countries are doing along other lines as well, in the matter of getting people back to the land. You will find that Australia has indulged in some very interesting experiments along that line.

#### EXHIBIT A.

*Distribution of homes according to proprietorship and incumbrance in cities having, in 1910, 100,000 inhabitants or more.*

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1313.]

City.	All homes.											Per cent of owned.	
	Total.	Owned.				Rented.	Unknown.	Per cent of total.			Free.		Encumbered.
		Total.	Free.	Encumbered.	Unknown.			Owued.	Rented.	Owued, free.			
Albany, N. Y.	24,069	6,338	4,347	1,885	106	17,189	542	26,973	18.8	8,169	830.2		
Atlanta, Ga.	35,813	8,580	5,553	2,947	80	26,213	1,020	24,775	36.1	8,665	334.7		
Baltimore, Md.	118,851	34,400	26,795	11,006	599	75,381	5,070	33,766	23.9	9,870	929.1		
Birmingham, Ala.	31,050	8,910	5,475	3,303	132	21,115	1,025	29,770	31.5	11,262	437.6		
Boston, Mass.	139,700	23,496	10,540	12,731	225	114,312	1,892	17,882	7.7	9,345	351.7		
Bridgeport, Conn.	21,689	4,671	1,531	3,055	85	16,504	514	22,177	9.7	7,414	733.1		
Buffalo, N. Y.	91,328	30,592	14,277	16,033	282	58,745	1,991	34,265	16.1	18,117	152.9		
Cambridge, Mass.	22,765	4,282	2,187	2,064	31	18,378	105	18,981	9.7	9,251	448.6		
Chicago, Ill.	473,141	121,447	55,025	64,981	1,441	342,472	9,222	26,273	12.0	14,245	954.1		
Cincinnati, Ohio	87,541	19,965	12,983	6,801	181	66,153	1,423	33,276	15.2	8,065	634.4		
Cleveland, Ohio	124,822	43,473	21,701	21,526	216	80,005	1,341	35,264	17.7	17,550	249.8		
Columbus, Ohio	42,645	14,882	7,468	7,184	210	26,787	996	35,764	18.2	17,551	449.0		
Dayton, Ohio	28,370	10,598	5,425	5,071	100	17,244	530	38,161	9.9	7,184	451.7		
Denver, Colo.	51,339	17,774	10,732	6,779	263	31,342	2,223	36,263	22.2	14,061	338.7		
Detroit, Mich.	100,356	40,471	20,752	19,501	218	57,531	2,051	41,258	11.2	19,951	648.4		
Fall River, Mass.	24,377	4,317	1,881	2,411	25	19,926	135	17,882	2.7	8,100	438.56		
Grand Rapids, Mich	26,925	12,599	6,184	6,230	185	13,690	636	47,052	7.3	9,241	488.50		
Indianapolis, Ind.	58,645	19,036	9,829	8,985	222	38,702	907	39,067	0.7	2,157	247.8		
Jersey City, N. J.	56,790	11,209	4,899	6,104	206	44,391	1,187	20,279	9.0	11,244	555.5		
Kansas City, Mo.	59,296	20,711	8,595	11,870	246	36,537	2,048	36,263	15.2	21,042	492.58		
Los Angeles, Cal.	78,678	34,159	17,249	16,671	239	42,202	2,317	44,755	3.22	7,220	949.10		

*Distribution of homes according to proprietorship and incumbrance in cities having, in 1910, 100,000 inhabitants or more—Continued.*

City.	All homes.										
	Owned.					Per cent of total.					
	Total.	Total.	Free.	Encumbered.	Unknown.	Rented.	Unknown.	Owned.	Rented.	Owned, free.	Per cent of owned.
Louisville, Ky.....	52,155	13,603	10,232	3,251	120	37,621	931	26.6	73.4	20.2	6.4
Lowell, Mass.....	21,932	4,848	2,689	2,132	27	16,761	323	22.4	77.6	12.5	9.9
Memphis, Tenn.....	31,154	7,541	4,906	2,441	194	22,363	1,250	25.2	74.8	16.3	8.9
Milwaukee, Wis.....	80,566	28,824	12,875	15,720	229	50,352	1,390	36.4	63.6	16.4	20.0
Minneapolis, Minn.....	63,241	24,539	13,571	10,515	453	36,195	2,507	40.4	59.6	22.8	17.6
Nashville, Tenn.....	26,077	7,879	5,797	1,972	110	17,808	330	30.6	69.4	22.8	7.8
New Haven, Conn.....	29,271	7,326	2,792	4,467	87	21,394	551	25.5	74.5	9.8	15.7
New Orleans, La.....	73,377	16,273	12,615	3,058	600	54,113	2,991	23.1	76.9	18.6	4.5
New York, N. Y.....	1,020,827	117,740	34,951	81,007	1,782	884,616	18,471	11.7	88.3	3.5	3.2
Manhattan Borough.....	493,545	14,103	5,356	7,909	838	468,977	10,515	2.9	97.1	1.2	1.7
Bronx Borough.....	93,897	12,071	2,654	9,267	150	80,114	1,712	13.1	86.9	2.9	10.2
Brooklyn Borough.....	353,666	63,842	17,335	45,954	553	284,739	5,085	18.3	81.7	5.0	13.3
Queens Borough.....	62,001	21,176	6,410	14,601	165	40,020	805	34.6	65.4	10.6	24.0
Richmond Borough.....	17,718	6,548	3,196	3,276	76	10,816	354	37.7	62.3	18.6	10.1
Newark, N. J.....	77,039	15,119	4,979	9,999	141	60,473	1,447	20.0	80.0	6.6	13.4
Oakland, Cal.....	36,723	16,870	9,683	7,084	103	19,263	390	46.7	53.3	37.0	19.7
Omaha, Nebr.....	26,359	10,065	5,739	4,178	178	15,299	965	39.8	60.2	27.3	16.8
Paterson, N. J.....	27,978	6,538	2,695	3,770	73	20,714	726	24.0	76.0	10.0	14.0
Philadelphia, Pa.....	327,263	83,267	35,950	46,312	1,000	229,354	14,647	26.6	73.4	11.6	15.0
Pittsburgh, Pa.....	110,457	29,983	16,052	13,445	486	77,288	3,186	28.0	72.0	15.2	12.7
Portland, Oreg.....	42,029	18,500	11,089	7,121	289	21,495	2,025	46.3	53.7	28.2	18.1
Providence, R. I.....	49,129	10,071	4,785	5,107	169	38,276	782	20.8	79.2	10.1	10.7
Richmond, Va.....	26,914	6,255	4,609	1,318	328	19,801	858	24.9	76.0	18.7	5.3
Rochester, N. Y.....	46,787	19,321	7,876	11,306	139	26,525	941	12.1	87.9	17.3	24.8
St. Louis, Mo.....	155,555	37,761	22,178	15,197	386	113,515	4,279	25.0	75.0	14.8	10.1
St. Paul, Minn.....	41,548	16,665	10,910	5,621	134	23,826	1,057	41.2	58.8	27.2	14.0
San Francisco, Cal.....	86,414	27,500	16,329	10,996	175	55,946	2,968	33.9	67.0	19.7	13.3
Scranton, Pa.....	26,312	9,711	5,524	3,935	252	16,116	485	37.6	62.4	22.0	15.6
Seattle, Wash.....	51,042	22,167	13,464	8,508	195	27,245	1,630	44.9	55.1	27.5	17.4
Spokane, Wash.....	22,676	11,165	5,869	5,112	184	10,619	901	51.3	48.7	27.4	23.9
Syracuse, N. Y.....	31,551	12,202	4,873	7,225	104	18,547	802	39.7	60.3	16.0	23.7
Toledo, Ohio.....	39,677	17,170	9,622	7,438	110	21,609	898	44.3	55.7	25.0	19.3
Washington, D. C.....	71,339	17,375	9,918	7,178	279	51,607	2,357	25.2	74.8	14.6	10.6
Worcester, Mass.....	30,743	7,431	2,196	5,162	73	23,037	255	24.4	75.6	7.3	17.1
Total, 50 cities.....	4,424,326	1,119,631	658,206	547,723	13,792	3,196,941	107,754	25.9	74.1	13.1	12.8

## EXHIBIT B.

*Number of farms operated by owners, tenants, and managers, and number and per cent of farms operated by owners that were mortgaged.*

[From Thirteenth Census of the United States, 1910: Abstract, p. 294, and vol. 5, Agriculture, pp. 129-132.]

State.	Number of farms operated by owners in 1910. <sup>1</sup>				Percentage of farms operated by owners reported as mortgaged. <sup>2</sup>			Number of farms operated by—		Total farms in 1910.
	Total.	Free from mortgage.	Mortgaged.	Not reported.	1910	1900	1890	Tenants in 1910.	Managers in 1910.	
Alabama.....	103,929	74,504	27,457	1,968	26.9	19.2	4.4	158,326	646	262,901
Arizona.....	8,203	7,038	1,043	122	12.9	6.0	6.8	861	163	9,227
Arkansas.....	106,649	82,321	22,374	1,954	21.4	14.3	4.2	107,266	763	214,678
California.....	66,632	39,368	26,749	515	40.5	32.2	32.5	18,148	3,417	88,197
Colorado.....	36,963	26,822	9,636	535	26.4	27.0	25.5	8,390	787	46,170
Connecticut.....	23,234	13,080	9,958	196	43.2	40.7	31.1	2,632	949	26,815
Delaware.....	6,178	3,817	2,264	97	37.2	36.5	29.4	4,535	123	10,836
District of Columbia.....	118	93	21	4	18.4	18.9	4.1	84	15	217
Florida.....	35,399	23,614	5,160	625	14.8	10.3	2.9	13,342	1,275	50,016
Georgia.....	98,628	78,004	18,257	2,367	19.0	14.7	3.4	190,980	1,419	291,027
Idaho.....	27,169	17,933	9,010	226	33.4	16.4	16.3	3,188	1,450	30,807
Illinois.....	145,107	86,713	55,792	2,602	39.2	39.3	36.7	104,379	2,386	251,872
Indiana.....	148,501	89,847	56,914	1,740	38.8	36.5	33.1	64,687	2,297	215,485
Iowa.....	133,003	63,234	68,045	1,724	51.8	53.0	53.3	82,115	1,926	217,044
Kansas.....	111,108	60,582	49,249	1,277	44.8	41.8	55.5	66,398	1,335	177,841
Kentucky.....	170,332	135,505	33,039	1,788	19.6	15.2	4.1	87,860	993	259,185
Louisiana.....	52,989	42,011	9,834	1,144	19.0	17.7	4.0	66,607	950	120,546
Maine.....	56,454	41,309	14,948	197	26.6	26.7	22.1	2,563	999	60,016
Maryland.....	33,519	21,064	12,127	308	36.5	36.8	30.0	14,416	988	48,923
Massachusetts.....	32,075	18,768	13,014	293	40.9	38.6	30.5	2,979	1,863	36,917
Michigan.....	172,310	88,705	82,631	974	48.2	48.3	49.4	32,689	1,961	206,960
Minnesota.....	122,104	65,038	56,145	921	46.3	44.8	46.4	32,811	1,222	156,137
Mississippi.....	92,066	60,543	29,693	1,830	32.9	27.1	7.7	181,491	1,825	274,382
Missouri.....	192,285	102,514	88,496	1,285	46.3	42.4	36.4	82,958	2,001	277,244
Montana.....	23,365	18,014	4,820	531	21.1	14.0	15.6	2,344	505	26,214
Nebraska.....	79,250	47,435	30,839	976	39.4	45.4	52.0	49,441	987	129,678
Nevada.....	2,175	1,805	361	9	16.7	19.3	17.2	333	181	2,689
New Hampshire.....	24,493	18,119	6,224	140	25.6	25.5	21.8	1,879	681	27,053
New Jersey.....	24,133	11,983	11,793	357	49.6	51.9	48.9	8,294	1,060	33,487
New Mexico.....	33,398	31,382	1,775	241	5.4	2.3	3.0	1,957	321	35,676
New York.....	166,674	93,118	72,311	1,245	43.7	46.3	44.2	44,872	4,051	215,597
North Carolina.....	145,320	117,028	26,642	1,650	18.5	15.8	4.9	107,287	1,118	253,725
North Dakota.....	63,212	30,651	31,727	1,834	50.9	31.4	48.7	10,664	484	74,360
Ohio.....	192,104	135,616	54,997	1,491	28.9	29.8	28.9	7,188	2,753	272,045
Oklahoma.....	85,404	46,889	36,036	2,479	43.5	9.2	.....	104,137	651	190,192
Oregon.....	37,796	24,855	12,632	309	33.7	25.2	23.4	6,859	847	45,502
Pennsylvania.....	164,229	112,156	50,699	1,374	31.1	32.3	27.4	51,105	3,961	219,296
Rhode Island.....	4,087	2,811	1,180	96	29.6	27.1	19.1	954	251	5,292
South Carolina.....	64,350	47,535	15,020	1,795	24.0	20.6	8.0	111,221	863	176,434
South Dakota.....	57,984	35,101	21,691	1,192	38.2	36.7	52.4	19,231	429	77,644
Tennessee.....	144,125	118,285	24,006	1,834	16.9	11.5	3.2	101,061	826	246,012
Texas.....	195,863	128,082	64,008	3,773	33.3	23.4	5.7	219,575	2,332	417,770
Utah.....	19,762	15,131	4,492	139	22.9	11.1	5.5	1,720	194	21,676
Vermont.....	28,065	14,851	13,140	74	46.9	46.9	44.3	4,008	636	32,709
Virginia.....	133,664	111,474	21,182	1,008	16.0	14.7	3.2	48,729	1,625	184,015
Washington.....	47,505	30,979	16,026	500	34.1	21.7	26.8	7,726	861	56,192
West Virginia.....	75,978	36,093	9,525	360	12.6	14.1	13.0	19,835	872	96,685
Wisconsin.....	151,022	72,941	77,129	952	51.4	45.8	42.9	24,654	1,451	177,127
Wyoming.....	9,779	7,815	1,923	41	19.7	12.2	13.1	897	311	10,987
Total.....	3,948,722	2,588,596	1,312,034	48,092	33.6	31.1	28.2	2,354,676	58,104	6,361,502

<sup>1</sup> Includes those whose owners rented additional land.

<sup>2</sup> Percentages based on total of farms free from mortgage and mortgaged.

<sup>3</sup> Includes Indian Territory.

## EXHIBIT C.

## TENANCY IN THE UNITED STATES.

For the United States as a whole the census of 1910 (5 Thirteenth Census, 97) reports that 62.1 per cent of all the farms in the United States were operated by their owners, less than 1 per cent by managers and 37 per cent by tenants. Based not on more numbers of farms but on total farm acreage and an improved acreage, the results show up as follows:

*Per cent of farms in the United States operated by owners and tenants, respectively, in the United States in 1900 and 1910.*

[Thirteenth Census, 1910, vol. 5, p. 96.]

	Number of farms.		All land in farms.		Improved land in farms.	
	1910	1900	1910	1900	1910	1900
Farms operated by owners and managers.....	63	64.7	74.2	76.7	67.3	69.8
Tenants.....	37	35.3	25.8	23.3	32.7	30.2

If these figures mean anything, they indicate that, looked at from three points of view, tenancy in the United States has increased steadily between 1900 and 1910. Tenant farmers constituted a larger proportion of the number of farms, the amount of all land in farms, and the amount of improved land in farms in 1910 than in 1900. This indeed marks the lengthening shadow of tenancy in the United States. In fact, the amount of tenancy has increased steadily between all the censuses from 1880 to 1910 for which figures are available.

Here is the result, showing the continuous increase of tenancy over a period of 30 years:

*Number and per cent of farms of specified tenure in the United States, 1880-1910.*

[Source: Thirteenth Census, 1910, vol. 5, p. 102.]

Year.	Number of farms operated by—		Per cent of farms operated by—	
	Owners and managers.	Tenants.	Owners and managers.	Tenants.
1880 <sup>1</sup> .....	2,984,306	1,024,601	74.5	25.5
1890 <sup>1</sup> .....	3,269,728	1,294,913	71.6	28.4
1900.....	3,712,408	2,024,964	64.7	35.3
1910.....	4,006,826	2,354,676	63.0	37.0

<sup>1</sup> Not including farms with areas of less than 3 acres reporting sale of less than \$5 of produce during the year.

Thus, since 1880 farms operated by tenants have increased more rapidly than farms operated by owners. During these 30 years it is also shown (5 Thirteenth Census, 102) that the number of tenant farms increased 129.8 per cent, while farms operated by their owners and by managers increased only 34.3 per cent.

It should, however, be said, by way of extenuation, that this increase in tenancy has not been accompanied by a parallel increase in the concentration of land ownership (compare 5 Thirteenth Census, 102). On this point no figures were gathered by the census of 1910, but a casual examination of

the farm schedules of the 1900 census showed in one instance that 1,934,346 tenant farms, representing 95 per cent of all tenant farms, were owned by 1,257,716 separate owners. Furthermore, the average size of farms has decreased between 1900 and 1910 from 146 acres to 138 acres. (5 Thirteenth Census, 37.)

#### EXHIBIT D.

##### THE DISTRIBUTION OF THE PUBLIC LANDS OF THE UNITED STATES.

The present public domain of the United States Government is distributed among 25 different States and consists of 279,544,494 acres, as reported by the General Land Office.<sup>1</sup> Of this amount, 172,987,912 acres is surveyed land, while 106,556,582 acres is still unsurveyed. This does not include Alaska, the amount of the unappropriated lands in which is not definitely reported by the General Land Office. The total area of Alaska is 378,165,760 acres, of which about 20,898,000 acres, or 5.5 per cent, are reserved.

The public-land States comprise 69 per cent of the total area of the United States. The amount of unappropriated and unreserved land, title to which is still in the United States Government, amounts to approximately 15 per cent of the total area of the United States. In the 25 public-land States the reserved area as given in the table which follows is, in round numbers, 209,000,000 acres, or approximately 11 per cent of the area of the United States, thus making the total Government land distributed among 25 different States of the Union equivalent to approximately 26 per cent of the total area of the United States.

Concerning the amount of unappropriated and unreserved public land of the United States, about 5½ per cent will be required to satisfy the remaining land grants to those States in which these lands are located, as estimated in the Annual Report (p. 10) of the Secretary of the Interior for the fiscal year ending June 30, 1915.

No recent information is available to show the character of the available public lands of the United States; that is, what proportion is capable of agricultural production, how much is grazing land, how much is forest land, and what proportion is desert land. An estimate<sup>2</sup> made by an expert in the Agricultural Department, in 1898, based on calculations by the Director of the Geological Survey, at a time when probably twice as much or more public land was available as at present, showed that about 12 per cent was arid, 66 per cent was adaptable for grazing, and 22 per cent was reported as woodland. Since that time the proportion has undoubtedly changed so as to increase the amount of arid land and the wooded and forest tracts.

The table which follows shows the distribution of the present Government lands of the United States, as of June 30, 1915. The data has been prepared from the Annual Report of the Commissioner of the General Land Office, supplemented by figures obtained through special correspondence with the Interior Department. The item for reserved land does not probably include all the reserved area, title to which is in the United States Government, as reserves are located in other than the 25 public-land States. Therefore, the total for the item "Government land" is not complete as shown in this table, except as far as the 25 States indicated are concerned. The same is true of the item headed "Appropriated land."

<sup>1</sup> There is a slight discrepancy between the figures reported by the General Land Office as to the area of unappropriated and unreserved land in Utah, and the data reported by the Annual Report of the Secretary of the Interior, 1915, p. 10.

<sup>2</sup> Yearbook of the United States Department of Agriculture, 1898, p. 33.

*Distribution of the Government lands of the United States as of June 30, 1915.*

States and Territories.	Unappropriated and unreserved.		Reserved.		Total Government land.		Appropriated.		Total area.	
	Acres.	Per cent.	Acres.	Per cent.	Acres.	Per cent.	Acres.	Per cent.	Acres.	Per cent of land area of United States.
Alabama.....	47,940	0.15	1,777	(1)	49,717	0.15	32,768,843	99.85	32,818,560	1.72
Arizona.....	36,810,327	50.54	29,430,831	40.40	66,241,158	90.94	6,597,242	9.06	72,838,400	3.82
Arkansas.....	278,155	.83	1,210,420	3.60	1,488,575	4.43	32,127,425	95.57	33,616,000	1.77
California.....	20,635,923	20.72	21,211,425	21.29	41,847,348	42.01	57,769,932	57.99	99,617,280	5.28
Colorado.....	17,236,114	25.98	13,959,523	21.04	31,195,637	47.02	35,145,483	52.98	66,341,120	3.49
Florida.....	268,484	.76	339,084	.97	607,568	1.73	34,503,472	98.27	35,111,040	1.85
Idaho.....	16,212,273	30.39	18,412,496	34.52	34,624,769	64.91	18,721,791	35.09	53,346,560	2.80
Kansas.....	75,214	.15	441,419	.84	516,633	.99	51,818,727	99.01	52,335,360	2.75
Louisiana.....	101,016	.35	4,957	.01	105,973	.36	28,955,787	99.64	29,061,760	1.53
Michigan.....	76,030	.21	239,144	.65	315,174	.86	36,472,026	99.14	36,787,200	1.93
Minnesota.....	943,881	1.82	2,486,899	4.81	3,430,780	6.63	48,318,390	93.37	51,749,120	2.72
Mississippi.....	86,882	.12	1,326	.01	38,208	.13	29,633,472	99.67	29,671,680	1.56
Missouri.....	923	(1)	3,160	.01	4,083	.01	43,981,197	99.99	43,985,280	2.31
Montana.....	19,065,121	20.37	23,127,162	24.72	42,192,283	45.09	51,376,357	54.91	93,568,640	4.92
Nebraska.....	192,358	.39	590,742	1.20	783,100	1.59	48,374,020	98.41	49,157,120	2.58
Nevada.....	55,417,746	78.85	5,999,516	8.53	61,417,262	87.38	8,868,178	12.52	70,285,440	3.69
New Mexico.....	27,788,857	35.45	13,157,461	16.78	40,946,318	52.23	37,455,602	47.77	78,401,920	4.12
North Dakota.....	493,667	1.10	1,907,263	4.25	2,400,930	5.35	42,516,190	94.65	44,917,120	2.36
Oklahoma.....	42,177	.09	19,700,251	44.35	19,742,428	44.44	24,682,532	55.56	44,424,960	2.33
Oregon.....	15,442,178	25.24	15,097,568	24.67	30,539,746	49.91	30,648,734	50.09	61,188,480	3.21
South Dakota.....	2,934,609	5.97	7,572,037	15.39	10,506,646	21.36	38,688,874	78.64	49,195,520	2.59
Utah.....	33,363,837	63.43	9,110,021	17.32	42,473,858	80.75	10,123,002	19.25	52,597,760	2.76
Washington.....	1,144,605	2.68	13,232,192	30.93	14,376,797	33.61	28,398,243	66.39	42,775,040	2.25
Wisconsin.....	6,758	.02	583,361	1.65	590,119	1.67	34,773,721	98.33	35,363,840	1.86
Wyoming.....	30,924,969	49.52	11,237,768	17.99	42,162,737	67.51	21,292,423	32.49	62,460,160	3.28
Total.....	279,514,994	14.69	209,057,803	10.98	488,602,797	25.67	833,012,563	.....	.....	.....

1 Less than 0.01 per cent.

2 Per cent of total area of the United States (1,903,289,600 acres).

An examination of the area of public land granted by the Federal Government under different public land acts shows that 440,773,382 acres have been disposed of, or the equivalent of 23 per cent of the area of the United States. This figure does not include all lands granted, but only those under certain acts, as shown in the table which follows. It does, however, account for practically all public land disposed of by the Government. This table shows that 35 per cent of the acreage disposed of under the different acts was allotted under the homestead law; 80.2 per cent consisted of educational grants to the States; and approximately 28 per cent of railroad and road grants, either to the States or directly to corporations (18.4 per cent).

The table follows:

*Public lands disposed of by the Federal Government under certain specified acts.*

	Number of entries.	Area.	
		Acres.	Per cent of total.
Homestead law (1869-1915).....	1,063,534	154,327,812	35.0
Timber and stone (1878-1915).....	102,919	13,299,907	3.0
Desert-land entries (1877-1915).....	37,797	7,210,563	1.6
Coal-land entries (1873-1915).....	4,178	602,855	.2
Timber-culture entries (1873-1915).....	65,264	9,856,104	2.3
Educational grants to States.....	.....	133,270,428	30.2
Railroad and road grants:	.....	.....	.....
Grants to States.....	.....	37,782,841	8.6
Corporation grants.....	.....	81,193,005	18.4
Wagon roads.....	.....	3,239,867	.7
Total.....	.....	440,773,382	100.0

## EXHIBIT E.

## INTERIOR COLONIZATION IN CERTAIN FOREIGN COUNTRIES.

This exhibit consists of an outline of efforts made by certain foreign countries in the promotion of interior or home colonization. The term is applied to the endeavors made to settle independent farmers, laborers from the city or country, handicraftsmen and others, either in collective colonies or as isolated settlers on separate small holdings. It is difficult to say which method has been the most important or the most productive of results. Probably, however, settlement through a system of creation of small holdings has proceeded with the greatest success. The system of collective colonization is, however, more generally applied in the reclamation and regeneration of waste lands, such as swamp lands, or moorlands. Collective colonization is most extensively practiced in Russia as community life is the traditional form of settlement with the peasant.

The South American countries incorporated the theory in their general land laws, but found it unworkable until special legislation with State subsidies and active promotion was tried.

The countries included in this exhibit are by no means considered as completing the list of those engaged in collective colonization, but are given either because typical or because data concerning them has been readily available.

COMMONWEALTH OF AUSTRALIA <sup>1</sup>

## INTRODUCTION.

The public lands of Australia—or Crown lands, as they are termed—are administered in each of the States by a land department under the direction of a responsible minister. The administrative functions of most of these land departments are to some extent decentralized by a division of the States into land districts, in each of which there is a land office under the management of a land officer.

In most of the States public lands are classified according to their situation, the character of the soil, etc. The modes of tenure under the acts, conditions as to improvements or residence, amount and method of payment of purchase price or of rent, vary between the different States. The administration of certain special acts relating to public lands has, in some instances, been placed in the hands of special boards. Mining leases and the general administration of mineral lands is usually in the hands of a special department.

The public lands in the several States of the Commonwealth may now be alienated (1) by free grant (in trust for certain specified periods); (2) by direct sale and purchase, which may be either by agreement or at auction; (3) by conditional sale and purchase. Public lands in the several States may also be occupied under a variety of forms of leases and licenses, issued both by the land department and by the mines department.

In Victoria, Queensland, South Australia, and the Northern Territory perpetual leases are issued for an indefinite period upon payment of an annual rent, while in all the States leases or licenses of comparatively large areas may be obtained for grazing. Provision is also made in all of the States for convenient forms of leases and licenses for special purposes and for special classes of land. Those tenures which relate more particularly to the subject of home colonization are those in existence under the closer settlement acts, the village settlement acts, and the small holdings acts.

## CLOSER SETTLEMENT ACTS.

The following statement has been taken practically verbatim, with a few editorial changes, from the official Yearbook of the Commonwealth of Australia (No. 7, 1914, pp. 242-253) :

## CLOSER SETTLEMENT.

In all the States acts have been passed authorizing the Government to re-purchase alienated lands for the purpose of cutting them up into blocks of

<sup>1</sup> Official Yearbook of the Commonwealth of Australia, containing authoritative statistics for the period 1901-1913. No. 7, 1914. Issued under the authority of the minister of state for home affairs, Melbourne [1914], pp. 220, 222, 223, 236, 242-253.

suitable size and throwing them open to settlement on easy terms and conditions. Special acts have also been passed in several of the States authorizing the establishment on particular lines of cooperative communities, village settlements, and labor colonies. Lands may be acquired either compulsorily or voluntarily in New South Wales, Victoria, Queensland, and Tasmania, but only voluntarily in South Australia and Western Australia.

The following table gives particulars up to the latest available date of operations under the closer settlement acts for each State and the whole Commonwealth:

*Closer settlement—Total areas acquired and allotted up to June 30, 1913.*

	Area acquired.		Farms allotted.	
	Acres.	Purchase price.	Number.	Acres.
New South Wales.....	676,439	\$12,288,185	1,554	724,924
Victoria.....	563,554	20,363,611	3,106	435,321
Queensland.....	664,363	8,337,117	2,423	525,168
South Australia.....	619,568	9,199,748	1,705	487,011
Western Australia.....	144,333	703,336	16	10,835
Tasmania.....	49,266	661,188	197	42,549
Commonwealth.....	2,717,463	51,553,145	9,831	2,223,808

The following table shows the areas of private lands acquired in each State for the financial year 1901, and for each year from 1908 to 1913:

*Closer settlement—Areas of private lands acquired, 1901 and 1908 to 1913.*

Year.	New South Wales.	Victoria.	Queensland. <sup>1</sup>	South Australia. <sup>1</sup>	Western Australia.	Tasmania.	Commonwealth.
	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
1901.....	.....	23,533	139,780	.....	46,624	.....	207,937
1908.....	142,503	211,140	456,742	354,454	170,881	25,177	1,369,797
1909.....	321,209	237,400	497,085	500,464	215,832	33,079	1,805,069
1910.....	461,723	343,829	537,095	527,501	249,522	34,441	2,114,111
1911.....	676,278	455,954	537,449	593,973	297,391	34,448	2,594,492
1912.....	676,438	515,004	661,363	619,499	303,469	45,731	2,825,074
1913.....	676,439	563,554	661,363	619,568	144,333	49,266	2,717,463

<sup>1</sup> Particulars are for calendar years.

<sup>2</sup> Including 4,581 acres of Crown lands.

<sup>3</sup> To the preceding 31st December.

<sup>4</sup> To 30th June.

GOVERNMENT LOANS TO SETTLERS.

For the purpose of promoting pastoral, agricultural, and similar pursuits, and with the object of assisting settlers in erecting buildings and carrying out improvements on their holdings, general systems have been established in all the States, under which financial aid is rendered to settlers by the State governments. \* \* \* In many of the closer settlement and similar acts, however, special provisions have been inserted with the object of lending money to settlers taking up land under these acts, with which to build homes or effect improvements. \* \* \*

NEW SOUTH WALES.

Under the closer settlement act of 1901 provision was made for the acquisition of private lands or of Crown lands held under lease for the purpose of closer settlement. No power of compulsory resumption was conferred by the act, which was consequently practically inoperative. Under the closer settlement act of 1904, as amended in 1906, 1907, and 1909, and the closer settlement promotion act, 1910, the Government is empowered to resume private lands, either by agreement or by compulsory purchase, and to alienate them on favorable terms to persons who desire to settle and make homes for themselves



and their families on the soil. The administration of the closer settlement acts is in the hands of a board. Land acquired under the acts is subdivided into blocks or farms, and by notification in the Government Gazette is declared to be a settlement purchase area available for application. The Gazette notice also gives all necessary information as to the class and character of the land, and the capital value, area, etc., of each block or farm.

#### CLOSER SETTLEMENT PURCHASE.

Under this tenure a settler may acquire the freehold of the land under a system of deferred payments. A deposit of 5 per cent of the notified value of the settlement purchase must be lodged with the application, and a similar amount by way of installment, paid annually until the purchase money, together with interest at the rate of 4 per cent, is paid off. Under this system the balance due to the Crown will be paid off in 38 years, the holding then becoming a freehold. A condition of residence for 10 years attaches to every settlement purchase. Under the amending act of 1909 postponement of the payment of installments may be granted by the minister, subject to the conditions (a) that additional improvements to the value of the amount postponed be made on the land within 12 months, and (b) that interest at 4 per cent per annum be paid on the amount postponed.

#### CLOSER SETTLEMENT ANNUAL LEASES.

Leases for areas not exceeding 320 acres may be obtained under the closer settlement acts at a rent fixed by the board. They may be renewed from year to year on payment of the yearly rent in advance. The land held under this form of lease may be applied for by the lessee as a settlement purchase.

#### SALES BY AUCTION.

Areas within closer settlement districts necessary for township settlement may be set apart by notification in the Gazette. Allotments each of which may not exceed half an acre in extent, within such areas may be sold by auction.

#### PRIVATE SUBDIVISION.

An important feature of the amending act of 1909 is the power which is given to owners for private subdivision of lands which have been notified by proclamation for resumption. Under the owner entering into an agreement with the minister to subdivide the land and to sell or lease in such areas and subject to such terms as may be agreed upon, the minister is empowered to suspend the power of resumption for a period not exceeding two years.

#### THE CLOSER SETTLEMENT PROMOTION ACT, 1910.

Under this act any three or more persons who are qualified to hold settlement purchases and who desire to purchase from the same owner any private lands may, upon entering into an agreement with the owner and subject to valuation by the advisory board and the savings bank commissioners, acquire such lands through the minister on closer settlement conditions. The maximum sum which may be advanced for the purposes of this act may not exceed £1,000,000 (\$4,866,500) in any financial year.

The following table shows the number and area of farms allotted since the passing of the act:

#### *New South Wales—Closer settlement promotion act, 1910.*

Year.	Farms allotted.		
	Number.	Area.	Amount advanced
		<i>Acres.</i>	
1910-11.....	26	10,785	\$263,429
1911-12.....	209	84,279	2,038,776
1912-13.....	274	107,791	2,915,739
Total.....	509	202,855	5,217,944

## AREAS ACQUIRED AND DISPOSED OF.

Up to June 30, 1913, 10 areas had been opened for settlement under the closer settlement acts.

The following statement gives particulars of the aggregate areas opened up to June 30 in each year from 1909 to 1913:

*New South Wales—Closer settlement areas, 1909 to 1913.*

Year ended June 30—	Areas.			Capital values.		
	Acquired lands.	Adjoining Crown lands.	Total.	Acquired lands.	Adjoining Crown lands.	Total.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
1909.....	321,209	28,064	349,273	\$6,066,131	\$208,666	\$6,274,797
1910.....	461,723	81,045	544,768	7,917,371	720,130	8,627,501
1911.....	591,861	86,127	677,988	11,163,826	723,629	11,884,455
1912.....	676,438	87,760	764,198	12,976,600	763,008	13,739,608
1913.....	676,439	87,759	764,198	12,979,943	778,509	13,758,452

The total area thus set apart has been divided into 1,608 farms, comprising 738,876 acres, the remaining area being reserved for recreation areas, roads, stock routes, schools, etc.

The following table gives particulars as to the disposal of the farms by closer settlement purchase for each year ended June 30, 1909 to 1913:

*New South Wales—Closer settlement allotments, 1909 to 1913.*

Year.	Farms allotted by board to date.			Total amount received in respect of settlement purchases.	Total number of applications received.
	Number.	Area.	Value.		
		<i>Acres.</i>			
1908-9.....	683	312,075	\$5,802,245	\$355,902	953
1909-10.....	941	471,639	8,426,247	719,974	1,209
1910-11.....	1,316	604,319	11,777,100	1,074,134	1,328
1911-12.....	1,485	673,610	13,249,358	1,335,562	1,555
1912-13.....	1,564	724,924	13,467,406	1,768,608	1,568

## LABOR SETTLEMENTS.

These settlements were founded by the labor settlements acts of 1893 and 1894, which have now been amended and repealed by the labor settlements act of 1902. Land may be set apart for lease for a period of 28 years as a labor settlement under the superintendence of a board of control. The functions of the board of control are to enroll members of the settlement; to make regulations concerning the work to be done; to apportion the work among the members; and to distribute the wages and profits. The minister is empowered to grant financial assistance to the board of control.

## SETTLEMENTS ESTABLISHED.

Only two settlements had been established under the act up to June 30, 1913. Particulars are given in the following statement:

*New South Wales—Particulars of labor settlements, June 30, 1913.*

Settlement.	Date of establishment.	Area.	Population.				Value of improvements.	Loans advanced by the Government.
			Men enrolled.	Women.	Children.	Total.		
Bera.....	1893	<i>Acres.</i> 1,360	26	29	95	150	\$15,135	\$11,777
Wilberforce.....	1893	435	10	9	22	41	7,056	12,064
Total.....	.....	1,795	36	38	117	191	22,191	23,841

The Murrumbidgee Irrigation act, 1910, provides for the acquisition of 1,668,000 acres near Narrandera, in Riverina, for irrigation and other purposes in connection with the Burrinjuck Irrigation scheme. Part of this area has since been made available.

## VICTORIA—CLOSER SETTLEMENT ACTS, 1904 TO 1909.

The closer settlement acts are administered by a board consisting of three persons appointed by the governor in council, and intrusted with power to acquire, either compulsorily or by agreement, private lands in any part of the State for the purpose of closer settlement. The board may dispose of all lands acquired, either Crown lands or repurchased lands, on conditional purchase leases either as (a) farm allotments not exceeding £2,500 (\$12,166) in value; (b) workmen's home allotments not exceeding £250 (\$1,217) in value; and (c) agricultural laborers' allotments not exceeding £350 (\$1,703) in value. The price of the land must cover the cost of the original purchase and the cost of all improvements. Land acquired by the board may also be sold in small areas in fee simple as sites for churches, public halls, butter factories, creameries, or recreation reserves.

The board may approve of an agreement between an owner and one or more persons to purchase a farm or farms not exceeding £2,500 (\$12,166) in value. On the property being acquired by the board, the applicant obtains a lease under closer settlement conditions.

*Closer settlement leases.*—Every conditional-purchase lease is for such a term of years as may be agreed upon by the lessee and the board, and payment must be made with interest at 4½ per cent per annum by 63 half-yearly installments, or such lesser number as may be agreed upon. Under the amending act of 1906 postponement of payment of installments may be granted by the board up to 60 per cent of the value of improvements. The lessee must personally reside during eight months in each year on his allotment, and for six years he must carry out prescribed improvements. Thereafter he may, with permission, transfer, assign, mortgage, or sublet his allotment. After 12 years if all conditions have been fulfilled, a Crown grant, with the same residence condition as that contained in the lease, will be issued. In the case of workmen's homes allotments the land must be fenced within one year, and a dwelling house to the value of at least £50 (\$243.33) must be erected within the same time; within two years further improvements must be made to the value of at least £25 (\$121.66). As regards agricultural laborers' allotments, a dwelling house to the value of at least £30 (\$146) must be erected within one year, and within two years the allotment must be fenced.

*Advances to settlers.*—The board may make advances for the purpose of fencing and building dwelling houses, and is empowered to erect dwelling houses, outbuildings, or improvements on any allotment at a cost not exceeding £250 (\$1,217) for any one allotment. Any sum so expended is repayable by installments extending over a prescribed period not greater than 20 years. Provision has also been made for deferring payments in cases of hardship, as well as for advances (to the extent of 60 per cent of the value of the improvements)

to enable work to be carried on. Special advances may also be granted to purchase wire netting in rabbit-infested districts.

*Loans to municipalities.*—Under the amendment act of 1907 loans may be made out of the closer settlements fund for the purpose of carrying out any road making or other public works within the boundaries of an estate.

*Areas acquired and made available for closer settlement.*—The following statement shows the operations which have taken place in Victoria under the provisions of the closer settlement acts, 1898 to 1910, up to June 30, 1901 and 1908 to 1913:

*Victoria—Closer settlement, 1901 and 1908–1913.*

Year ended June 30—	Total area acquired by Government to date.	How made available for settlement.						Total receipts to date.	Repayments of principal to date.	Area available for settlements.
		Farm allotments.	Workmen's homes allotments.	Agricultural laborers' allotments.	Town allotments.	Roads and reserves.	Number of applications granted to date.			
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>				<i>Acres.</i>
1901.....	28,533	28,451	69	.....	44	240	193	\$26,640	.....	.....
1908.....	211,140	188,971	473	917	724	1,708	1,470	1,192,755	416,091	10,549
1909.....	237,400	191,015	228	660	610	2,242	1,645	1,643,918	580,049	5,789
1910.....	343,829	237,670	243	1,659	617	2,242	1,880	1,906,432	748,906	9,302
1911.....	455,954	363,676	571	2,761	.....	.....	2,708	2,951,815	1,138,946	54,214
1912.....	515,604	474,410	512	3,651	.....	.....	3,354	3,723,242	1,549,192	71,367
1913.....	563,554	498,701	512	3,658	3,564	6,334	3,306	4,491,011	1,935,908	64,550

<sup>1</sup> Includes 8 estates (97,315 acres) not yet made available for settlement

*Areas alienated and in process of alienation.*—The following table shows, so far as available, particulars of areas alienated absolutely and in process of alienation on the 30th of June, 1901, and from 1908 to 1913:

*Victoria—Closer settlement, areas alienated and in process of alienation, 1901 and 1908–1913.*

Year.	Alienated absolutely.			In process of alienation.
	Conditional purchases completed.	Sold for cash, etc.	Total.	
	Acres.	Acres.	Acres.	Acres.
1901.....		183	183	
1908.....	2,504	268	2,772	174,812
1909.....	4,924	1,307	6,231	190,784
1910.....	8,705	1,320	10,025	221,565
1911.....	9,770	1,382	11,152	303,024
1912.....	9,804	1,450	11,254	397,402
1913.....	12,560	8,694	21,254	425,761

THE SMALL IMPROVED HOLDINGS ACT 1906.

Under this act, which has been repealed, 2,822 acres at a cost of £53,568 (\$260,689), allotted to 260 settlers, were purchased close to towns where industrial employment could be obtained by the settlers.

These settlements are now under the control of the closer settlement board.

VILLAGE COMMUNITIES.

The settlement of land by village communities is now provided for in the land act 1901, but is not availed of to any extent. Certain unalienated Crown lands were surveyed into allotments of 1 to 20 acres. The price is not less than 20 shillings (\$4.8665) an acre. Additional areas may be acquired by conditional purchase. The rent is a nominal one for three years. The total amount of

monetary aid advanced up to the 30th of June, 1912, was £67,379 (\$327,900), of which sum the amount repaid to date was £40,300 (\$196,120). After three years a lease may be obtained. \* \* \*

On the 30th of June, 1913, there were 928 settlers actually residing and 109 not residing, but improving, making a total of 1,037 in occupation. Including wives and children the total number in residence was 4,310. At the same date the area under cultivation was 11,257 acres; the value of live stock £56,596 (\$275,424), and of improvements, £166,217 (\$808,895).

#### CLOSER SETTLEMENT IN THE IRRIGATED DISTRICTS.

The movement for closer settlement in the irrigated districts started about four years ago. The State had expended between three and four million pounds (\$14,599,500 to \$19,466,000) on irrigation works which were not being used to their full extent. Under the Goulburn scheme, the largest of the State works, more than half the available water was being wasted. The reason was lack of people to cultivate the land as irrigation requires. Previously in the various districts the average size of farms varied from 400 to 600 acres, while under irrigation from 20 to 80 acres will now give employment to a good-sized family and furnish them a comfortable living. The large farms of the irrigation districts could not be properly cultivated by their owners, and the only way to make irrigation a success was to subdivide these holdings and bring in farmers to cultivate the smaller areas. To this end the State offered to buy suitable land in any district having a reliable and ample water supply at a price fixed by impartial expert values and has now purchased about 111,000 acres for this purpose. This land is sold to settlers on 31½ years' terms with 4½ per cent interest on deferred payments. These payments are calculated on the Credit Foncier basis and are equalized through the whole period. As a result the settlers by paying an additional 1½ per cent, or 6 per cent in all, on the cost for 31½ years pay off both principal and interest. To help the settler of small capital the State will build him a house and give 15 to 20 years to pay for it, will prepare a part of his area for irrigation, and allow payments to be extended over 10 years. The cash payments required are as follows: On houses costing less than £100 (\$486.65), £10 (\$48.67); from £100 to £150 (\$486.65 to \$729.98), £15 (\$73); while on houses costing more the cash payment varies from 12 to 30 per cent of the estimated cost. A cash payment of one-fifth the estimated cost of preparing land for irrigation is required. The State also makes loans to settlers equal to 60 per cent of the value of permanent improvements, these loans to be repaid in 20 years. Five per cent interest is charged on all advances, whether for houses, preparing land, or money furnished the settler. In the past four years 914 irrigated blocks, averaging 62 acres, have been taken by settlers, of whom 335 were from oversea, chiefly from Great Britain, and 579 were Australian. At Shepparton, one of the oldest of these settlements, there are now 100 families living where there were originally 6. In Koyuga there are now 46 families with good houses, many young orchards, fine crops of lucerne and vegetables where in November, 1910, there was not a house, a family, or an acre of cultivated land. Under three years ago there were 27 houses in the Rochester district; now there are over 230. In Tongala there are now 180 houses where two years ago there were 30.

Similar progress has been made in the other settlements. Houses now being erected are of a better type than the original ones. This has been made possible because the settlers now applying have as a rule more capital than the earlier ones and desire better homes.

#### QUEENSLAND.

Under the provisions of the closer settlement act of 1906 private lands may be repurchased by the Crown, either by agreement of compulsorily.

#### COMPULSORY ACQUISITION.

The owner of an estate in possession, the whole of which is proposed to be taken compulsorily, has the right to retain in one block, land of the value of £10,000 to £20,000 (\$48,665 to \$97,330), according to the value of the whole estate. The maximum sum which may be expended on the acquisition of land for the purpose of closer settlement is £500,000 (\$2,433,250) in any one year.

## DISPOSAL OF LAND.

A sufficient part of the land acquired must be set apart for roads, public reserves, and townships, and the remainder is proclaimed open for selection as agricultural farms under the land act of 1910, which repealed the land acts of 1897 to 1909; the term of the lease is 25 years. The rent to be paid for the first year is equal to 10 for every 100 of the purchasing price; and (no payment being required during the second, third, or fourth years) an annual payment of £8 2s. 7d. (\$39.56) for every 100, continued from the fifth to the twenty-fifth year, will, at the end of the term, have paid off the principal sum together with interest.

## AREAS ACQUIRED AND SELECTED.

The following table gives particulars of the operations under the above acts at the end of the year 1901 and of each year from 1908 to 1912:

*Queensland—Closer settlement, 1901 and 1908–1912.*

Year.	Number of estates acquired.	Total area acquired to date.	Total amount of purchase money.	Total area selected to date.
		<i>Acres.</i>		<i>Acres.</i>
1901.....	15	132,760	\$1,630,550	124,710
1908.....	27	456,742	5,878,795	364,334
1909.....	27	497,095	6,566,130	409,381
1910.....	27	537,449	7,253,465	437,496
1911.....	29	644,387	8,128,661	498,315
1912.....	29	664,363	8,337,117	525,168

<sup>1</sup> In addition there were at the end of the year 1912, 11,750 acres sold at auction and 3,136 acres retained by the Government for experimental farms and other sales.

The total area opened for selection up to the end of the year 1912 was 597,782 acres, of which 525,168 acres had been selected by 2,077 selectors. There remained 72,614 acres unselected or reserved. The total amount of rent paid up to the same date was £878,855 (\$4,276,948), the amount in arrear being £7,320 (\$35,623). At the end of the year 1912 there were 2,077 selectors holding 2,177 agricultural farms, 244 unconditional selections, and 2 prickly pear infested selections. In addition, land and improvements to the value of £76,726 (\$373,387) has been sold at auction.

## THE SPECIAL AGRICULTURAL SELECTIONS ACTS 1901 TO 1905.

These acts were partly repealed by the amending act of 1909, which was in its turn repealed by the land act 1910. Under the last act land may be set apart for members of bodies of selectors who desire to settle in the same locality. The terms and conditions are similar to those in force for single selectors. Every group selection shall be subject to the condition of personal residence during the first five years of the term.

The especial agricultural selections act 1905 provides that financial aid may be granted to all or any of the members of a body of selectors of agricultural homesteads. Advances may also be made to each selector for a value not exceeding £80 (\$389.37) for the purpose of buying tools, rations, stock, and poultry.

The portions opened for "group settlement" in 1912 numbered 906, and comprised a gross area of 557,346 acres. Up to the end of that year 678 portions, comprising 397,738 acres, valued at £233,914 (\$1,138,342) had been applied for by members of the bodies of settlers for whom they were opened. The greater part of the remaining lots have since been selected.

## SOUTH AUSTRALIA.

Under the provisions of the crown lands acts the commissioner may repurchase land for the purposes of closer settlement at a cost not exceeding £600,000 (\$2,919,900) in any two years. \* \* \*

## DISPOSAL OF LAND.

The Crown lands act further amendment act 1910 enlarges the value of the blocks into which estates may be subdivided for closer settlement purposes from £2,000 (\$9,733) to £5,000 (\$24,333) unimproved value. The purchase

money with interest thereon at 4 per cent per annum is payable in 70 half-yearly installments, the first 10 payments being interest only.

For the first five years, improvements to the value of £3 (\$14.60) for every £100 (\$487) of the purchase money must be yearly effected.

#### AREAS ACQUIRED AND SELECTED.

The following table shows the area of land acquired by the Government in South Australia for the purposes of closer settlement, and the manner in which the same has been disposed of under the provisions of the Crown lands acts for the years 1902 and 1908 to 1912:

#### *South Australia—Closer settlement, 1902 and 1908–1912.*

Year.	Area of lands repurchased to Dec. 31.	Agreements with covenants to purchase.	Total area leased as homestead blocks.		Perpetual leases.	Miscellaneous leases.	Sold.	Remainder uncultivated (including roads).
			Right of purchase	Perpetual lease.				
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>
1902.....	156,481	.....	2,717	3,073	90,128	309	403	59,851
1908.....	354,454	261,457	1,560	1,953	74,651	281	9,142	5,390
1909.....	500,464	296,013	1,381	1,779	75,045	50,056	24,641	51,549
1910.....	527,501	357,480	1,241	1,510	62,396	40,077	35,266	29,541
1911.....	622,422	411,370	1,077	1,414	55,121	40,082	43,666	69,399
1912.....	624,122	436,038	894	1,386	48,857	40,101	57,884	38,408

During the financial year 1912–13 one property of 80 acres was repurchased. The total area repurchased on June 30, 1913, was 624,220 acres, the purchase money being £1,918,441 (\$9,336,093). Of that area 544,508 acres had been allotted to 2,387 persons, the average area to each being 228 acres.

#### IRRIGATION AREAS.

Under the irrigation and reclaimed lands act, 1908, 1909, and 1910, special provisions are made for granting perpetual leases of reclaimed lands. The maximum area of irrigable or reclaimed land one person may hold in any irrigation area is 50 acres. Each block is offered under perpetual lease, at a rent not less than a sum equivalent to 4 per cent on the unimproved value of the land, plus the cost of reclaiming. For the first year only one-quarter of the fixed rent is payable; for the second year, one-half; and for the third year, three-quarters.

*Irrigation boards.*—Irrigation boards, to whom advances of money may be made by the commissioner for Crown lands, may be constituted in irrigation areas.

*Government loans to settlers.*—Under Part V of the act a fund is to be constituted, to be called the lessees of reclaimed lands loan fund, consisting of money provided by Parliament, to be advanced to assist lessees to make improvements on their lands. The total amount owing by any lessee may not exceed £300 (\$1,460). In cases of hardship the time may be extended by the commissioner, the deferred payments carrying interest at 5 per cent.

During 1910 the Waikerie and Berri irrigation areas were gazetted. No irrigation areas were gazetted in 1911, but Rameo village district has been added to Waikerie irrigation area.

#### VILLAGE SETTLEMENT.

Out of the reserved lands the commissioner is directed to set apart for the purpose of village settlement such land as he shall consider fit (a) for horticultural purposes, to be termed "horticultural land"; (b) for agricultural purposes, to be termed "commonage land"; and (c) land whereon any irrigation works are situated. Land so set apart is to be divided as follows: Horticultural lands into blocks of as nearly as practicable equal unimproved value, and of about 10 acres in extent; and the commonage lands into one or more blocks of such area as the commissioner may determine, and the lands so set apart in each case form the district of the association. No person may hold

more than two blocks. Commonage lands may only be leased to the association on perpetual lease, and all unleased horticultural blocks are under the control of the association. Every member of each association must provide or contribute toward the maintenance and regulation of irrigation works and the care and cultivation of the commonage lands.

As the Walkerie district was proclaimed an irrigation area under the irrigation and reclaimed lands acts of 1908 and 1909, and the settlers of Kingston have applied to be dealt with under the same acts, this would leave only the Lyrup village settlement, which is in a better position both financially and as regards population, than the others.

#### HOMESTEAD BLOCKS.

Aboriginal reservations, except those at Point McLeay or Point Pearce, and other suitable lands may be offered as homestead blocks on perpetual lease or lease with a right of purchase. Each block must not exceed £100 (\$486.65) in value, and residence by a member of the family for at least nine months of every year is compulsory.

There is now hardly any demand for homestead blocks, persons generally preferring small blocks of repurchased or Crown lands on ordinary conditions. The system appears to be of value only in centers of population where work can be obtained, and within a reasonable distance of a school.

Advances up to £50 (\$243.33) may be made by the commissioner to any homestead blockholder who has complied with the conditions of his lease or agreement, to assist in erecting permanent buildings on the blocks, or other improvements. Advances must be repaid, with interest at 4 per cent per annum, by 20 equal installments, commencing 12 months from the date of advance. The commissioner may, in case of hardship, extend the time of repayment, deferred payments bearing interest at 5 per cent per annum. The total amount advanced up to the 30th of June, 1913, was £40,802 (\$198,563), of which £38,382 (\$186,494) had been repaid.

The total number of leases and agreements of which purchase had been completed to the 31st of December, 1912, was 1,998, comprising 30,238 acres, at a purchase price of £71,112 (\$346,067), on an average of £2 7s. (\$11.44) per acre, the average of each holding of which purchase was completed being 15 acres.

#### WESTERN AUSTRALIA.

Under the agricultural lands purchase act 1909, which repealed and consolidated the agricultural land purchase act 1896 to 1904, sums not exceeding in the aggregate £400,000 (\$1,946,600) may be expended on the repurchase of Crown lands near the railways, suitable for immediate cultivation.

#### ACQUISITION OF LAND BY THE GOVERNMENT.

For the purpose of carrying out the provisions of the acts a land purchase board has been constituted. Advised by the report of the board, the minister, with the approval of the governor, may make a contract for the acquisition of the land by surrender at the price fixed by the board, or at any lesser price.

#### SALE OF REPURCHASED LAND.

After reservation of part of the repurchased land for public purposes, the remainder is thrown open for selection. The maximum quantity held by one person must not exceed 1,000 acres; in special cases 2,000 acres.

#### CONDITIONS OF SALE TO SELECTORS.

The maximum selling price of any repurchased land is equal to 105 per cent of the actual cost of the land plus the cost of any improvements made upon it. A lease for 20 years is issued at a rent, the half-yearly installments of which are to be at the rate of £3 17s. 9d. (\$18.92) for each £100 (\$486.65) of the selling price. Improvements must be made to the value of one-fifth of the purchase money every 2 years of the first 10 years of the lease. One-half of the land must be fenced within the first five years and the whole within 10 years. Loans may be granted to selectors under the provisions of the agricultural bank act.



## NATIONAL COLONIZATION BILL.

## AREAS ACQUIRED AND SELECTED.

The transactions conducted under the provisions of the agricultural lands purchase acts are shown for 1901 and for each year from 1908 to 1913 in the subjoined table:

*Western Australia—Closer settlement, 1901 and 1908-9 to 1912-13.<sup>1</sup>*

Year.	Total area acquired.	Total purchase money.	Roads, reserves, etc.	Total area made available for selection.	Area selected during the year.	Total area occupied to date.	Balance of area available for selection.	Total revenue received to date.
	<i>Acres.</i>		<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	
1901.....	46,624	\$256,776	1,459	45,165	4,295	37,235	7,929	\$70,326
1908-9.....	215,822	619,327	11,142	204,680	30,950	189,820	15,531	459,583
1909-10.....	249,522	769,107	10,757	228,823	21,134	211,416	15,407	540,790
1910-11.....	297,391	1,276,493	14,876	282,515	50,032	261,942	20,578	628,657
1911-12.....	301,469	1,316,982	14,506	282,885	8,375	264,885	18,000	735,377
1912-13.....	446,804	2,030,417	12,799	290,670	10,835	270,945	19,724	852,830

<sup>1</sup> The figures for 1901 are up to Dec. 31. For 1908-9 and subsequent years they are given as up to June 30.

On the 30th of June, 1913, the total expenditure, exclusive of purchase money, but including interest, was £88,400 (\$430,491), which left a balance of £86,785 (\$422,339). At the same date the amount invested as sinking fund was £86,426 (\$420,592). During the year 1912-13 two properties, viz, Henty and Yandanooha, having a total area of 144,526 acres, were purchased, but have not yet been made available for selection.

## WORKINGMEN'S BLOCKS.

Any person not already holding land within the State is entitled to obtain a lease of lands which have been surveyed and thrown open for selection as workingmen's blocks. The maximum area that may be selected by one person is, if within any town or gold field, an acre, payable in 10 years by half-yearly installments. Residence and improvement conditions must be fulfilled. At the expiration of the lease, or at any time after five years from the date of the commencement of the lease, upon compliance with all conditions and upon payment of the full purchase money and fee, a Crown grant will be issued. No person who has once held a workingman's block is allowed to select another, except under very special circumstances.

The following table shows the number and area of accepted applications for workingmen's blocks during each year, as well as the total number and area in existence at the end of the year 1901 and for each year from 1908 to 1913:

*Western Australia—Particulars of workingmen's blocks, 1901 and 1908-1913.*

Year ending June 30—	Applications accepted.		Block areas occupied.	
	Number.	Area.	Number.	Area.
1901 <sup>1</sup> .....	2	6	7	31
1908.....	91	131	387	537
1909.....	88	189	408	667
1910.....	122	148	440	719
1911.....	53	99	388	722
1912.....	28	56	327	688
1913.....	1	4	230	617

<sup>1</sup> For calendar year.

During the years 1907 to 1911 residential blocks on the gold fields were made available as workingmen's blocks, instead of under residential lease as before and since October 19, 1911, the system of leasehold had been reverted to.

## TASMANIA.

The principles of closer settlement were not introduced into Tasmania until the closer-settlement act of 1906 was passed. Under this act, which was amended in 1908, and again in 1911, power is given to the minister for lands, on the recommendation of the closer-settlement board, to purchase by agreement private land in any part of Tasmania for the purpose of closer settlement, and also to deal with and dispose of any unoccupied Crown land for the same purpose.

## DISPOSAL OF LAND.

Lands so brought under the act are subdivided into farm allotments of a suitable size, not exceeding £1,500 (\$7,300) in value, and are disposed of by way of lease for 99 years. The rental is determined by the board at a rate not exceeding 5 per cent per annum on the capital value of the land. Any lessee who has fulfilled the conditions under the act may, after the expiration of 10 years of the term of the lease, purchase the land leased to him. Under the amendment act of 1908 the minister is authorized to lease any allotment of land exceeding £1,500 (\$7,300), but not exceeding £4,000 (\$19,470) in value, exclusive of buildings.

A lessee must improve his holdings to a value equal to 2½ per cent on the capital value of the lands in each of the first 10 years of the term of his lease, and he must, within two years of the date of the lease, personally reside on his allotment during at least eight months of each of the following nine years.

Under the amendment act of 1911, provision is made for reserving a proportion of the allotments thrown open, and leasing the same, under special terms and conditions, to bona fide immigrants.

## ADVANCE TO SETTLERS.

The total advance by the Government in aid of the cost of effecting improvements to any one lessee must not exceed one-fifth of the capital value of such lessee allotment, and must not exceed pound for pound the sum expended by him in fencing and building. Such advances must be repaid, together with the interest at 5 per cent, in equal half-yearly installments.

## SPECIAL SALES.

The fee simple of land acquired may be disposed of by sale on the recommendation of the board as sites for churches, public halls, dairy factories, fruit-preserving factories, mills, or creameries. The area sold may not exceed 1 acre in the case of a church or public hall, or 5 acres in other cases.

## AREAS ACQUIRED AND SELECTED.

Up to the 30th of June, 1913, 10 areas, viz, Cheshunt, Mount Pleasant, Forrester No. 1 and No. 2, Isandula, Brinktop, Frogmore, Woolmers, Brankholm, and Hillhome, had been opened up for closer settlement. Particulars are given in the following statement:

*Tasmania—Closer settlement, 1907 to 1913.*

Year.	Number of farms made available.	Number of farms allotted.	Area of farms allotted.	Rental of farms allotted.	Total area purchased.
			<i>Acres.</i>		<i>Acres.</i>
1907.....	61	54	10,365	\$9,358	13,397
1908.....	28	26	8,191	3,065	11,780
1909.....	49	45	9,117	3,840	7,902
1910.....	9	15	1,872	2,623	1,362
1911.....	37	36	4,965	818	5,143
1912.....	11	7	3,912	2,740	6,147
1913.....	18	21	5,652	5,519	3,745
Total.....	213	204	44,074	27,963	49,476

The total purchase money paid by the Government up to the 30th of June, 1913, was £135,857 (\$661,148).

## NEW ZEALAND.

## INTRODUCTION.

A concise account may be found of the land legislation of the States of New Zealand in the current numbers of the Official Yearbook of that country, and the following abstract has been made of that matter as found in the New Zealand Official Yearbook, 1915 (Wellington, 1915), pages 493-553.

The public lands, or Crown lands of New Zealand, as they are termed, are administered under the land act, 1908, the land laws amendment act 1912, 1913, 1914, 1915, together with regulations made under these acts. The distinguishing features of the present system, the Official Yearbook states, involve the principle of a tenant right to recurrent terms of lease by the occupier, and in most cases the right to acquire the freehold. Between 1892 and 1907 a very large proportion of public lands were disposed of by a system of lease in perpetuity for a period of 999 years, but this system has since been terminated.

Also underlying the whole of the New Zealand land system is the principle of "the land for the people," which involves a restriction of the area which any single person may hold.

Ordinary public land thrown open for optional selection is offered under three different forms of tenure: (1) Cash purchase by payment of one-fifth of the value down; (2) Lease with a purchasing clause at 5 per cent rental on the value of the land, running 25 years with the right to purchase at the original price at any time after the first six years and within 25 years, or to convert into a renewable lease; (3) Renewable lease, at a rental of 4 per cent, the lease running for 66 years with perpetual right of renewal, but no right or purchase.

## COLONY SETTLEMENTS.

The village-settlement system of New Zealand provides for the setting apart and offering for optional selection of allotments of 1 acre in area or under, and for the opening under the renewable-lease tenure (formerly lease in perpetuity) of small farms between 1 acre and 100 acres in area. These settlements were designed to enable laborers to obtain homes for themselves and families in the immediate vicinity of their work, and gave bushmen, workers on the roads and railways, etc., an excellent chance of securing a holding upon which they could live, and which they could improve in their spare time. There has not been any great extension of this system in recent years.

The improved-farm settlement system was first begun in order to find work for the unemployed. Considerable areas of forest-clad Crown lands were set aside, and small contracts for the clearing, burning, and sowing of these were let to the men to whom it was intended to allot them. In most cases the farms are selected or balloted for in their primitive state, and the settler is for a time paid for the improvements he makes, or, in other words, the cost of converting forest lands into grass lands is advanced from time to time by the Government. In other cases a piece of forest land is taken in hand, and men are employed at fixed rates in felling, burning, and grassing. When so much grass is laid down as will give a good start, the land is opened for selection in sections of 50 to 200 acres and balloted for among the applicants. The farms are let on lease with a purchasing clause or on renewable lease (formerly lease in perpetuity) at a rental sufficient to cover the cost of clearing, etc., together with a fair rental of the land.

## SOUTH AMERICA.

The general land laws of the different South American States almost universally recognize the principle of settlement of the public lands through collective colonization. Yet it is apparently true that little or nothing has been accomplished under such a system of general colonization legislation, and it has been found necessary in those States where collective colonization has proved successful to enact special laws for the promotion of the work. Not until the Government has either directly or indirectly subsidized the movement or taken an active part in the organization of colonies, undertaking agricultural experiment work or directing the work of the colonists, encouraging the formation of cooperative societies for credit facilities or for marketing, or performing similar first-hand work in connection with each project, have results been obtained.

Among those States in which special legislation has been enacted for the promotion of home colonization may be mentioned Bolivia, Brazil, Chile, Columbia, Paraguay, Uruguay, Peru, and Venezuela. Special laws have been proposed in Argentina as recently as 1913, but thus far, according to available information, no action has been taken in the matter.

Those sections of the general land law of Argentina, the law of 1903 being now in force, relating to the founding of colonies and towns, are here reproduced as typifying the general provisions of the land laws of the South American States in that respect:

"ART. 2. As soon as the explorations shall have been made and the topographical statements drawn up, the executive power shall determine the several regions which may prove suitable for the different purposes mentioned in the preceding article and shall reserve such tracts as may be found appropriate for the founding of towns and the establishing of agricultural or pastoral colonies. The said tracts shall be divided into lots according to their topographical conditions. The area of each agricultural lot shall not exceed one hundred hectares<sup>1</sup> and that of each pastoral lot shall not exceed two thousand five hundred hectares, and not more than two agricultural lots or one pastoral lot shall be granted to one person or corporation.

"The remaining lands shall be let on lease or disposed of by public sale, such sales not to exceed in the aggregate one thousand kilometric square leagues in each year and to be effected upon such terms, as to time for payment and other conditions, as the executive power may determine. The sale price shall not be under forty cents gold or one dollar national currency per hectare as a minimum, payable within five years with interest at the rate of six per cent per annum. No person or corporation shall, either directly or by transfer made previous to the payment of the full price, be allowed to acquire by purchase or on lease more than four solares<sup>2</sup> or two agricultural lots or one pastoral lot in the reserved lands, nor more than 20,000 hectares of the remaining lands.

"ART. 3. The executive power is hereby authorized to deliver the definitive titles to purchasers who shall have paid in cash one-sixth of the purchase price and shall have complied with the conditions laid down for settling and stocking, the property being charged on mortgage for the amount of the bills to be signed for the installments due. The titles shall be in the form of certificates issued from counter registers to be kept at the proper offices, and such certificates shall have the force of public deeds and shall be registered in the respective public registers. The titles to town and colony lots and the leases shall be in the same form.

"ART. 4. It shall be obligatory for lessees and acquirers to stock their tenements and erect buildings thereon to the value of at least five hundred dollars national currency per kilometric league, within such time as the executive power may determine.

"ART. 5. The minimum price of each town lot shall be ten dollars national currency and that of agricultural lots, chacras, and quintas<sup>3</sup> two dollars and fifty cents per hectare, payable in six annual installments.

"ART. 6. It shall be obligatory for acquirers of town lots to fence them and to build on them a dwelling and accessories within a year. Guarantees of chacras and quintas shall within two years build a dwelling and cultivate the land in such proportions as the executive power may determine for each colony.

"ART. 7. The executive power is hereby authorized to sell by private sale lots not exceeding 2,500 hectares for pastoral colonization in the pastoral colonies or outside of them in such lands as are not specially intended for agriculture, at not less than the minimum of prices and within the terms established in article 2, and upon the conditions as to settling and stocking established in article 4. This authorization extends likewise to any remainders not exceeding one-tenth of the area of the respective lots sold in any form.

"ART. 8. The executive power is hereby further authorized to make to first settlers gratuitous grants not exceeding one-fifth part of town lots and of those intended for agricultural or pastoral colonies.

"ART. 12. With respect to irrigated or irrigable land and to those which the executive power might acquire for agricultural colonization by virtue of special authorization granted by Congress, the sale prices will be determined by the respective regulations, but shall not be under cost prices.

"ART. 13. The executive power is hereby authorized to undertake the colonization of lands which the Provinces may offer for that purpose, upon such terms as it may think proper."

<sup>1</sup> A hectare is equivalent to about 2½ acres.

<sup>2</sup> Town lots.

<sup>3</sup> Garden lots.

## BRAZIL.

In 1907 the board of immigration and colonization in Brazil began the active direction of a scheme of colonization for alien immigrants to Brazil. The regulation of November 3, 1911,<sup>1</sup> now governs the work of that bureau and directs or suggests the formation of settlements either by the National Government itself or by the constituent States with or without the help of the National Government, or by private enterprises such as railway companies, river transportation lines, or others acting with or without the aid of the National Government or the States. In the case of these latter associations the Federal Government reserves the right of inspection in the settlements and of adopting measures of general control.

A colony is defined as an assemblage of measured and marked-off lots of choice and fertile land suitable for agriculture or cattle raising, salubrious, possessing water enough for the requirements of the population, each lot to have enough area to be self-sufficient, properly served by means of communication, occupying generally, in the words of the official regulations, "a favorable economical situation, and prepared for the establishment of immigrants as proprietors."

In the formation of its colonies, if the lands are the property of any State, the Federal Government will enter into an agreement with such State for the purchase of the land desired; if the lands are private property, the Federal Government may acquire them either by purchase or by expropriation. In selecting lots for colonization, a field survey shall precede any selection and a general plan and probable estimate of the cost of the work must be made and submitted to the minister of agriculture for approval before subdivision into lots is made or any other works are executed, such as irrigation, drainage, or providing means of communication. And where there is a likelihood of considerable development a carefully drawn town plan must be executed.

In each colony center it is proposed to establish schools for primary instruction in agriculture, an experiment farm, and workshops for the instruction of the children of the colonists, while the Government may also supply the colony with breeding stock, maintain warehouses from which to supply agricultural implements and machinery, and draft animals, etc., to be sold to the colonists at cost price or provided for their use during the first three months of operations on their holdings.

The paternal care of the Government extends even further in the case of families intending to settle in a colony. It is proposed to provide these with free food upon arrival for a period of three days; supply them with additional labor for wages for a period ranging up to eight months, if they are not able to maintain themselves on their holdings from the start; provide them with credit up to a certain limit; and supply free medical care and treatment during the first year.

The Federal Government from time to time supplies free seed to the colonists, supervises the organization of an occasional agricultural fair, and promotes the formation of cooperative societies.

The size of each holding allotted to a colonist does not exceed 25 hectares (61.78 acres) if near a railway or river served by steam navigation, but it may contain as high as 50 hectares (123.6 acres) in all other cases. Those lots located in the town center of the settlement generally are not to exceed 16,404 square feet. The so-called "urban lots" are sold for cash or on credit, payable in three annual installments, counting from the first day of the third year of the settlement of the colonists, allowing practically a period of six years. No interest appears to be paid on the balance of principal unless the time of repayment exceeds the term prescribed, in which case interest is charged at the rate of 3 per cent per annum on the installments due. A minimum and maximum price is fixed on the lots by the Federal Government ranging from 10 milreis to 20 milreis per hectare (\$2.21 to \$4.41 per acre).

In 1914 the board of immigration and colonization had established 20 colonies, while the Federal Government had in addition subsidized 3 colonies in the State of Rio Grande do Sul. The departmental report states that the development of these colonies has been very satisfactory. Six of the colonies became independent of Government assistance on April 19, 1913, and one on February 4, 1914.

<sup>1</sup> Brazil. Department of agriculture, industry, and commerce. Decree No. 9081, of Nov. 3, 1911, regulating the service of immigration and colonization. Rio de Janeiro, 1913.

The population of these colonies in December, 1913, was 75,520 persons comprising 13,600 families.

#### COLOMBIA.

The Government of Colombia has taken measures to provide an adequate agricultural labor supply in the country, measures which may be classified under three heads: (1) The encouragement of immigration; (2) free allotment of uncultivated lands; (3) christianizing and educating the savage tribes.<sup>1</sup>

Up to the present in order to promote agricultural development, agricultural lots or homesteads with an area of 10 fanegas (15.9 acres) and more were granted to every native willing to settle on uncultivated land. The laws of 1874 and 1882 gave absolute property rights to any such person willing to cultivate untilled soil.

Recently a bill was introduced in the Colombian Legislature specifying the conditions on which such grants will be made. Provision is made for the establishment of villages and centers of colonization. It is proposed to grant from 2 to 50 hectares (4.94 to 12.36 acres) of uncultivated land to those willing to occupy it on the conditions following: (1) The lot to be occupied by at least three persons under 70 years of age; (2) at least one-third of this holding must be cultivated during the first year of occupation; (3) a house must be built within the first three years.

Provision is also made for collective settlement by groups of at least 25 families to whom the Government will grant as much as 50,000 hectares (123,550 acres) of unimproved land. The settler accepting the grant must begin working the land not later than one year after the grant; they must provide healthy housing accommodation, adequate board, and medical attendance for their laborers. The employment of children is limited to those over 12 years of age and only for domestic work; and hours of labor for women must not exceed seven per day and for men nine. The colony must provide at least one settler on each 5 hectares of land (12.36 acres), furnishing him with certain supplies in addition to a milch cow.

Other schemes of private colonization are being agitated throughout the country.

#### PERU.<sup>2</sup>

The prevalent method of farming in Peru is that of large estates with the payment of laborers either in money or in kind. The Indians are the principal laborers, and it has been found difficult to attract European labor.

Home colonization has been tried as a means to attract to the country an active and productive white population. The Government has centered its efforts in that matter along the coastal region, which is the most favorable for agriculture. To reach the mountain regions it has been necessary to construct railways or other means of communication as a preliminary to the work of colonization.

Liberal concessions have also been made by the Government for carrying on irrigation projects, and it has occasionally declared the necessary land to be of such public utility as to give right to its expropriation.

In spite of these measures, it is stated that colonization of the coast plain has not proved eminently successful up to the present. European colonists do not appear to have been attracted.

In 1913, however, a new effort was made by the Government in the direction of home colonization by the law of January 4, 1913, according to the provisions of which the Government is authorized to contract a loan of approximately \$10,000,000 to be used only for works of irrigation and colonization.

When the work of irrigation is completed the Government proposes to arrange for the sale of the land to the colonists in lots of not more than 60 hectares (148.26 acres) each, provided with the necessary water supply. The price will be fixed so as to cover the cost of irrigation and colonization, including interest on the investment. The conditions of sale and terms of payment of the purchase price will be fixed by the Government.

It is proposed to attract foreign colonization of the white race and require them to supply sufficient capital to prepare and maintain their holding and

<sup>1</sup> International institute of agriculture. Monthly bulletin of economic and social intelligence, Rome. No. 56 (August, 1915).

<sup>2</sup> International institute of agriculture. Monthly bulletin of economic and social intelligence, Rome. No. 31 (July, 1913).

its cultivation up to the time of the first harvest. The minimum of capital thus required will be fixed by the Government.

With the proceeds of the sale of this irrigated land, after deducting the amount necessary for the payment of the interest on the loan, the Government will set aside an "irrigation and agricultural fund," so-called, which will be used to invest in new irrigation works or in making loans to cooperative societies that may be formed among the colonists, and the loans thus granted will be guaranteed by a mortgage on the land improved by means of this capital. The Government will control and direct the organization of rural cooperative societies and maintain inspection over their work. Indirectly, the Government subsidizes the colonies by granting exemptions from customs duties on all implements, seeds, plants, trees, farm animals, and other supplies which the colonists may need for their work. Also private institutions and societies which propose to carry on work of irrigation or colonization projects may, at the discretion of the Government, be exempted from taxation of any kind for a period of 20 years.

#### URUGUAY.

An agricultural colony was established in Uruguay as early as 1862.<sup>1</sup> The Government began active work for the encouragement of such colonies by the law of 1880 which set aside an annual sum of 200,000 pesos (\$206,800) for the purchase of land to be distributed among colonists. This law provided that if it was desired to establish a colony in a grazing district the local authorities might buy the necessary land, provided 20 families desired to found such a colony and provided, also, there were no State lands in the locality. If more than 100 families made application, the necessary land might be obtained by expropriation.

After two years of unsuccessful application of this law by reason of the high price of land, the small amounts of land allotted, and by reason of other difficulties, it was determined that State lands occupied by tenant farmers should be used exclusively for the formation of agricultural colonies. Here again the difficulty lay in the small amounts of State land available. It was, therefore, found necessary to encourage further private enterprise, and, under the law of 1889, special tax exemptions were granted to companies and individual proprietors who might found colonies. Export duties on the produce of the colony were also abated for a period of 10 years, and land taxes for a period of 8 years. The area of any colony founded must be at least 20 square leagues (23,517 acres). As these colonies were largely grazing areas, the Government, by the institution of prizes, attempted to encourage mixed farming by the enactment of the law of July 11, 1911.

These measures not proving adequate, apparently, the Government, on January 20, 1913, authorized the issue of a loan to be used for agricultural colonization and live-stock improvement. The amount of the loan was 500,000 pesos (\$517,000) and was made at 5 per cent with a sinking fund of 1 per cent. A bond can not be sold at less than 95. The amounts thus raised by this loan are to be used for the purchase and subdivision of land for colonization purposes. If necessary, the Government may expropriate the land.

The parcels of land are to be sold for cash or on an installment basis, running over a period of 30 years. The price of the land is to include the value of the land set aside for the construction of roads and streets, the cost of surveying, and the amount spent by the State for the original purchase price. The holdings thus formed will be exempt from the real estate tax for 10 years, provided that at least half the area be maintained under cultivation. These holdings are likewise exempt from seizure for debt contracted by the owners during the first five years of possession, except as regards the purchase money. No colonist is permitted to buy more than one small lot.

#### GERMANY.<sup>2</sup>

The problem of home colonization in Germany, particularly for factory workmen in the cities, is noted as of more importance recently than hitherto, on account of the need of placing the disbanded soldiery in occupations at the close of the war. The problem was, however, of importance before this and one that had been under agitation and discussion, as indicated by the fact of

<sup>1</sup> International institute of agriculture. Monthly bulletin of economic and social intelligence. Rome. No. 33 (September, 1913).

<sup>2</sup> Abstract of an article, "Die Ansiedlung von Arbeitern im Rahmen der inneren Kolonisation in Deutschland" in Sonderheft zum Reichs-Arbeitsblatt No. 3, pp. 41 ff. March, 1915. Berlin: International Institute of Agriculture. Rome. Bulletin of Economic and Social Intelligence, No. 28 (December, 1912), No. 33 (September, 1913).

the existence of special associations interested in the work, which has for some time published a regular periodical dealing with the problems of home colonization.

A recent article in the official journal of the Imperial Department of Labor notes that the activities along the line of home colonization all have the object of maintaining an adequate supply of food products for the nation. As a consequence the principal efforts of home colonization have been directed toward the reclamation of so-called moorlands or swamp areas. In its effort to secure the reclamation of such lands, the Prussian Government compelled owners of swamp lands to combine into cooperative societies for the reclamation of these areas, and up to April, 1915, 65,000 hectares (160,618 acres), had been so consolidated by 109 societies for purposes of reclamation, while negotiations for the consolidation of an additional 120,000 hectares (276,525 acres), were pending.

The Diet of Wurttemberg passed a law similar to that of Prussia, providing for the compulsory formation of cooperative societies for the reclamation of swamp lands, while Bavaria provided for State subsidies for the reclamation of land by means of drainage and irrigation. The Prussian Railroad administration has also participated in the reclamation of waste lands, and it was reported on August 21, 1915, that 7,000 morgen (4,399 acres), of unused land had been planted in potatoes and vegetables.

On June 21, 1915, a resolution was introduced in the Prussian Legislature, requesting the Government for a memorandum as to what lands and funds were available in Prussia for colonization of war invalids and ex-soldiers on small holdings of an agricultural or agricultural and industrial character. Associations interested in the project requested the Imperial Government to extend the general laws of 1906 and 1907, relating to the civil employment and pensioning of ex-soldiers, so as to provide for this method of handling the problem of the unemployed ex-soldier. Land reformers have also been particularly interested in advocating this scheme. Furthermore, private associations have already made practical experiments in colonizing war invalids, granting particularly favorable terms of payment for the holdings provided.

Recently the budget committee of the lower house of the Prussian Diet passed a resolution requesting the Government to investigate the problem of reconstruction in Eastern Prussia made necessary by the devastations of the war in that section. These measures are already being taken for the resettlement of East Prussia by returning German emigrants who had been driven out by the Russian invasion.

#### PURPOSES AND METHODS OF COLONIZATION.

German home colonization is of four forms: (1) The division of large estates into peasant holdings; (2) settlement of uncultivated land, especially swamp land; (3) the creation of small settlements, which consists in the development of small areas, either farms or unimproved land, in the vicinity of towns, for settlement by farm and industrial laborers and by Government employees and pensioners; and (4) the erection in rural districts of tenements and small dwellings, provided with adjoining arable land, to be leased to workmen. These four forms may all be really classified under two heads: (1) The division of estates or tracts of already improved lands for purposes of settlement, and (2) the reclamation and settlement of swamp and other waste lands. The work in any case is undertaken by the State governments, the most significant work having been done in Prussia, while thus far the Imperial Government has been only slightly concerned.

Interior colonization in Germany may be said to have been begun with the enactment of the Prussian law of 1886. In Prussia the most important work of home colonization had taken the form of the subdivision of large estates and the creation of small settlements of laborers and handicraftsmen in the neighborhood of already existing communities. The decrees of January 8, 1907, and August 10, 1909, prescribe the regulations under which settlement takes place.

In the colonization of laborers and industrial handicraftsmen the following institutions are engaged: (1) The State, through its colonization commission; (2) large land associations; (3) district and municipal governments; (4) the land bank in Berlin; (5) private persons, such as large landowners who work either with or without the cooperation of the commission; (6) the society for collective colonization, which brings the unemployed of the cities into the country, uses them to reclaim waste land, and subdivide the cultivated land into small holdings.



Also active in the eastern Provinces of Posen and West Prussia are certain Polish banks and land mortgage credit associations, whose purpose is to colonize persons of Polish nationality. They are more or less in rivalry with the existing Prussian governmental and private institutions.

The funds placed at the disposal of the home colonization commission amounted to 200,000,000 marks (\$47,600,000) by the law of April 20, 1898, 350,000,000 marks (\$90,300,000) by the law of July 20, 1902, and 550,000,000 marks (\$130,900,000) by the law of March 20, 1908.

The colonization is generally effected through the creation of small holdings, which may be purchased by the colonizer on the installment plan by the payment usually of one-fourth of the purchase price. The sale is also hedged about with conditions intended to insure the use of the holding as a homestead and for strictly agricultural purposes. The State reserves the right of repurchase on failure to pay the installments or to fulfill the conditions of the contract of sale.

#### THE HOME COLONIZATION COMMISSION.

The home colonization commission is managed by a committee consisting of a president and 10 members, 2 of them being governors of West Prussia and Posen, and the other members are usually representative of agricultural interests. At the beginning of 1911 the president had, subject to his orders, at the head office in Posen more than 30 higher officials and about 500 employees.

The local administration of the landed estates subject to supervision is in the hands of local managers. These assist the settlers in installing themselves on their holdings, and also are active in the promotion of new holdings.

The largest part of the work of the commission consists in the purchase and subdivision of large landed estates. It was also recently given the power of expropriating land for purposes of colonization. It selects the land itself which appears suitable for settlement, buys it, improves it, preparing it for cultivation in small lots, divides it, places settlers on it, and supervises the new settlements after their formation.

#### TEMPORARY ADMINISTRATION OF THE HOLDINGS.<sup>1</sup>

To transform into a peasant village a large landed estate, worked by a central management, necessitates a very great deal of labor. In order to assure the prosperity of the new settlements it is necessary to improve the soil and adapt the method of cultivation to the requirements of small farms, establish a plan of subdivision with a view to the distribution of the land, erect new buildings, and regulate the political institutions.

Most of this work is performed most satisfactorily while the holdings are not yet divided. This is why the home colonization commission first works them for some time as undivided farms. At first this period of temporary management was very long, on account of the bad condition of the landed estates purchased. Now the period of transition is shortened, owing to the fact that the home colonization commission makes it a point to purchase landed estates already answering the principal requirements of future settlers.

The home colonization commission divides the landed estates it settles into four categories, according to the degree to which the settlement is prepared or carried out. This classification serves principally to facilitate the control of the profits and losses due to the working of the landed estates between their purchase and their complete and final transfer to the settlers.

The first class is composed of the landed estates which the home colonization commission has had in its possession for less than two years. This period is characterized by large improvement works executed in order to offer the settlers favorable conditions from the start. However high the degree of cultivation of a landed estate, it can not be transferred to the settlers. To prepare it to be worked by the peasant farmers, the home colonization commission, for example, spends large sums for the purchase of seeds and manure and for works of drainage, irrigation, and improvement of marshy and meadow land. These works are often of vital importance for the settlement, and, on account of the area affected, it is best to undertake them while the landed estates are still undivided. For example, in many districts where the land is flat, drainage is absolutely indispensable to guarantee the peasants against bad harvests in wet seasons, and would be more costly and render cultivation very difficult if carried out when the land is already in the hands of the settlers.

<sup>1</sup> International Institute of Agriculture, Bulletin of Economic and Social Intelligence, Rome. Dec., 1912, pp. 151, 152.

Generally, the special works just mentioned do not take more than two years. However, a certain number of landed estates remain longer in the condition of large single farms. They form the second class of the landed estates managed by the home colonization commission.

At the moment the settlement, properly so called, commences, the holdings pass into the third class. At this stage they have again to support large extraordinary expenditure. The managers, while they continue regularly to farm the land not yet handed over to the settlers, must lend these the greatest assistance for the organization of their farms, providing them with seeds and supplies of all kinds free of charge, and placing at their disposal the resources of the central management. The average cost of these services and these supplies is calculated at 1,000 marks (\$238) per settler.

In proportion as the holdings are handed over to the settlers, the direct farming for the account of the home colonization commission becomes more limited. Gradually the stock and equipment supplied are reduced. In the year 1910-11 their value decreased in the case of 64 landed estates in the course of settlement from 3,347,792 marks (\$796,774) to 2,447,001 marks (\$582,386).

#### METHOD OF PROCEDURE.

Before undertaking any particular project the home colonization commission prepares a definite scheme of colonization. This scheme includes the preparation of a plan for the new village, method of the distribution of the holdings, details regarding the payment of installments of purchase price, and the organization of the public activities of the settlers, etc.

After a long experience, it is stated, the commission has selected a form of village settlement intermediate between the close community settlement and the scattered-settlement system. It unites both systems by the establishment of the new farms at a certain distance from each other along the principal road or special roads radiating from a common center; and on the site of the buildings of the former landed estates there is established a village nucleus consisting of a town hall, school, church, inn, and artisan shops. This becomes the center of the public life of the settlement.

In the distribution of the holdings among the settlers regard is had to an equitable distribution of the land so as to include just the portions of different kinds of soil, and a view to adapting the size of the holding to the character of the soil and the purpose to which it is to be put. Experience shows that small and medium-sized holdings of from 5 to 20 or 25 hectares (12.36, 49.42, 61.78 acres) are the most common. Few holdings have an area of over 25 hectares (61.78 acres). The holdings of an area of less than 5 hectares (12.36 acres) are the farms of laborers or artisans usually granted to them as an inducement to establish themselves in the settlement.

The holdings are usually granted for purchase on the installment plan, with certain limiting conditions, or they may be given on lease; but this method is very unusual and is used only as an expedient for securing settlers who have little ready money. The installments of purchase price are fixed at 3 per cent of the value of the land, but this annuity may be redeemed by the payment of a lump sum, except one-tenth of the amount, which may be redeemed only with the consent of the commission. By this means the commission reserves to itself the right of constant supervision over the holdings. After 50 years the commission can force redemption.

At its own expense the commission establishes certain public institutions for its community, such as schools, charitable institutions, town halls, and churches. It further secures the existence of these institutions by means of land grants or by straight subsidies in money. The commission aims to make careful selection of its settlers and the applications by persons desirous of purchasing holdings far exceed the number of settlers finally accepted. Thus, in 1911 the applications numbered over 8,000, while only approximately 1,300 were accepted. Settlers are left free to erect such buildings on their holdings as they deem necessary, but the commission aids them to the extent of planning houses, their arrangement, etc., so as to conform to a uniform style. Directly it aids their building operations by transporting materials free of charge; it supplies them with some of the building material at cost price, such as stone, sand, gravel, and bricks made at its own kilns.

The home colonization commission also interests itself in the welfare of the settlers by providing them when necessary with breeding stock, fruit trees, seeds, and other supplies with which to commence operation. It assists in the foundation of cooperative societies of various kinds, and it concerns itself with the institution of agricultural education.

## RESULTS OF OPERATIONS.

As already stated, interior colonization has been most actively promoted in Prussia. The Provinces of Prussia in which the most work has been done are Posen and West Prussia, East Prussia, Pomerania, Brandenburg, and Silesia. It is frankly stated, however, that interior colonization of workmen in these Provinces has contributed little to the solution of the agricultural labor problem. The lack of agricultural laborers has not been lessened by it. The chief value of the work lies in its effect of repopulating the open country, stemming the tide of emigration, and settling that essential part of the population which makes its living on a narrow margin of existence. But it should be emphasized that gradual progress is being made, and it is hoped that pending legislation will produce better results in the future.

Interior colonization has also been taken up in Saxony, Schleswig-Holstein, Hanover, Westphalia, and Rhine Provinces, Mecklenberg, Oldenburg, and other Provinces. The following table is a summary of the work accomplished for home colonization in Prussia, which in this case includes practically all that is done in Germany. It shows the total number of small holdings purchased on the installment plan, termed *Rentengüter*. Apparently the colonization of workmen plays a much smaller part in East Prussia than in West Prussia. This is accounted for by the fact that in the eastern Provinces the creation of new communities was until recently the chief object of interior colonization and probably will remain its chief object in the immediate future, and also by the fact that the interior colonization in the east is much older than in the west. In the west the colonization of farmers is not such an urgent necessity as it is in the east, because, with the exception of Schleswig-Holstein, nearly all the land is in the hands of farmers owning small or medium-sized farms. Large colonization enterprises are therefore lacking in the west, and among the workmen colonized are a large number of industrial workers.

The statistics of home colonization in Prussia are defective by reason of the fact that different persons and institutions are engaged in the work, while no comprehensive report is made of the activities of all these combined. The classification of those engaged in the work of colonization is not on the lines of the classification already given in this article, for the so-called general commissions are not in the strict sense colonizers, but intermediaries in the securing of loans for that work as carried on by the direct colonizers—namely, the large land associations, cooperative societies, and district governments and municipalities. In the table which follows the holdings established are classified according as they are holdings for laborers and artisans—that is, small holdings, usually less than 2½ hectares (6.18 acres) in area, and from which a living can not be made without additional work on the part of the owner, and hence its name of holdings for laborers and artisans, and according as they are held by farmers who make their living exclusively on their holding.

*Number of small holdings created in Prussia up to the end of the year 1912.*

[Source: *Reichs- und Provinzial-Anzeiger*, Berlin. Supplement to March, 1915, p. 54.]

Provinces.	Number created for laborers and artisans <sup>1</sup> by—				Number created for farm settlers by—			Total all holdings.
	Colonization commission.	General commissions.	Rent charge banks.	Total.	Colonization commission.	General commissions.	Total.	
Posen.....	1,411	920	133	2,464	12,304	1,464	13,765	16,229
West Prussia.....	799	167	18	984	5,920	3,144	9,064	10,048
East Prussia.....		592		592		2,844	2,844	3,436
Pomerania.....		300		300		3,819	3,819	4,119
Brandenburg.....		215		215		478	478	713
Silesia.....		420		420		1,139	1,139	1,559
Saxony.....		151		151		163	163	314
Schleswig-Holstein.....		302		302		853	853	1,155
Hanover.....		422		422		373	373	795
Westphalia.....		907		907		571	571	1,478
Rhine Province.....		26		26		1	1	27
Hesse-Nassau.....		82		82		33	33	115
Total.....	2,210	4,504	151	6,865	18,224	14,899	33,123	39,988

<sup>1</sup> These are holdings of rather restricted size, 2 hectares (4.94 acres) for those granted by the colonization commission, 2½ hectares (6.18 acres) for those of the general commissions, and are held by persons who are occupied as laborers and artisans in the colony, as well as being engaged in the cultivation of their holdings. Hence is derived their designation as holdings for laborers and artisans. Their name is not derived from the fact that the holders of them were originally laborers and artisans, although in some cases they were such.

The number of States within the German Empire in which interior colonization and the colonization of workmen are conducted in a more or less systematic manner and with the aid of the State are exhausted with those discussed above. In the other States interior colonization is, on the one hand, only in its beginning, as, for instance, in the Kingdom of Saxony, while other States by means of legislation have limited free exchange in real estate. Through strict provisions against the breaking up of large estates, i. e., private subdivision of estates with the intent of making the largest possible profit from such transactions, the governments have created for themselves the right of supervision or prevention, in pursuance of which they may hold the subdivision in such limits and restrict it to such estates that the public weal is not manifestly endangered. The Bavarian law of August 27, 1910, relating to the subdivision of large estates, provides, in case the subdivision of estates is exercised as a business, that commune, public-welfare cooperative associations, and other legal persons to be determined by the ministry of the interior shall have the right of refusal. The framers of this law had especially in mind the loan societies (*Darlehnskassenvereine*), which for some time had effected the subdivision of large estates on a considerable scale without profit, guided only by economic viewpoints. In 1913 a Bavarian land bank was founded in Regensburg as a cooperative society with limited liability, with the same object as the above-mentioned loan societies, and it is the intention of this bank to exercise the right of refusal in case of subdivisions of estates whenever such opportunity offers. Among other methods of facilitating workmen's colonization it is noted that the Bavarian agricultural bank (*Landeskultur-rentenanstalt*) may grant loans to public welfare associations, municipalities, and private landowners for such colonization purposes, and that the Bavarian agricultural council (*Landwirtschaftsrat*) has of late, by means of lotteries, attempted to obtain funds for the foundation of small holdings for workmen.

Laws relating to the subdivision of real estate have also been enacted in the principalities Rouss J. L. (1911), Waldeck (1912), and Schwarzburg-Sondershausen. These laws provide that the subdivision of large estates shall be dependent on the approval of the authorities and be subject to taxation; that municipalities and public-welfare societies shall have the right of refusal; and that the seller may, within a specified time, avoid the sale. The Duchy of Coburg merely taxes the subdivision of estates; but credit institutes, savings banks, and agricultural cooperative associations may be exempted entirely or partially from payment of the tax.

#### RUSSIA (SIBERIA)<sup>1</sup>

The institution of a system of organized home colonization was a part of the general program of agricultural reform begun in 1906 by the Russian Government. The system took on two forms, namely, the exploration, classification, and preparation of lands suitable for colonization along scientific lines, and also the according of special facilities in the way of governmental subsidies, reduced transportation, etc., on the part of the administration.

Considerable progress is reported to have been made by the general colonization department in the surveying and preparation of land during the years 1911, 1912, and 1913, the total area surveyed and marked off approximating 6,000,000 dectatines (16,200,000 acres), equal to the united area of Belgium and Holland.

The Government assists its colonization projects by actual grants of subsidies, and encourages improved methods of agriculture and marketing where possible. In the most important centers of the colonization areas the administration has established Government warehouses and supplies the population with agricultural machinery and implements at low prices, as well as with chemical fertilizer, tested seed, and other farm supplies. On January 1, 1914, the total number of storehouses of this kind was 277. The Government has also established public elevators for the use of the peasants of the neighborhood.

The expenses of the general colonization department for its purposes in 1913 amounted to 37,284,323 rubles (\$19,201,426). The estimates for 1914 call for 30,006,000 rubles (\$15,453,090). (The Russian Yearbook for 1915.)

The colonists for the purposes of settlement in Siberia are recruited along systematic lines. Families or groups of independent persons who desire to migrate to Siberia elect from their number a special delegate, or advance agent,

<sup>1</sup> International Institute of Agriculture, Rome. Monthly Bulletin of Economic and Social Intelligence. Rome, 1915. Nos. 51 (March, 1915), and 53 (May, 1915).

as it were, whose duty it is to obtain all the personal and economic information required in connection with the project. Arrived at his destination, this delegate or advance agent studies the local conditions, working in constant touch with the agents of the general colonization department, until he finds what suits him. He then secures from the local authorities the requisite number of individual colonization lots for which he is ready to bring in the persons whom he represents. The option which the advance agent secures on the colonization lots is valid for a year or two, thus enabling the future colonists to move at their leisure, after settling affairs in the home locality.

Many peasants, it is true, do not colonize in this fashion, but migrate to Siberia upon the representation of friends or acquaintances. There is also a third class of immigrants, who come at their own risk, without any special plans. The Government encourages the first two forms of migration by granting it special favors and tends to discourage the movements of independent immigrants. Thus, for the first two types of migration, the Government selects the holdings in advance for them and assists in the preparation of them for occupancy before it makes any attempt to help the independent immigrant.

In 1913 the total number of individual colonization lots secured for future colonists was 258,882, or 12,370 more than during the previous year. These 258,882 lots were assigned to 78,792 families. Of these, about two-thirds had been secured through the system of advance agents, while the remaining one-third had been secured equally under the other two forms of immigration. The proportion of regular colonists who secure their lots through advance agents increases from year to year. The number of families actually established on the colonization holdings in 1913 was 48,608, and included altogether 137,394 adult men capable of work. In regard to the system of establishment by these families, it is observed that 43,974 of them, comprising 125,114 adults, established themselves in villages and agricultural colonies, while only 4,634, comprising 12,240 men of working age, preferred to settle on land absolutely isolated and independent. But this last class is becoming more common, although it is still far from being general, as establishing in colonies is much more agreeable and traditional to the habits of the Russian peasant. To the numbers of families of colonists already mentioned there must be added 5,503, comprising 15,503 adult men, who became members of collective colonies already established, 371 families settled as lessees of land to be sold and 179 families in the newly irrigated districts of the "Hunger Steppe," and finally 2,063 families who established their homes in the special colonies along the railway line. Considering all these groups, the total number of families established in Transsural Russia in 1913 was 56,771, comprising about 360,000 members.

During the period from 1906 to 1911 the Government spent a total of 115,000,000 rubles (\$59,225,000) on home education in these Transsural Provinces. This expenditure has resulted in the establishment during that period of 417,000 families of colonists; that is, the establishment of each family cost the Government on an average of 157 rubles (\$80.80).

The economic advantages which have accrued to the colonists themselves were disclosed in a special inquiry on the part of the Government, which, without going into details, showed that the result up to the present had been quite satisfactory. Compared with their condition prior to colonization, it appeared that the colonists were in possession of larger areas for cultivation; that farms were better equipped; they observed improved methods of cultivation, obtained increased yield from their land, and were in a generally more prosperous condition.

#### FINLAND.<sup>1</sup>

Home colonization in Finland under State direction takes three principal forms: (1) The colonization of State forests; (2) purchase of landed estates called donation fiefs; (3) purchase of landed estates for colonization. The latter is the most important mode of colonization.

The colonization of State forests, the oldest form known, is regulated by the imperial order of 1892. Under this special examination is made of portions of the land belonging to the Government adaptable for colonization. The land so segregated is let to persons at a low rental, but no rent is usually charged for the first 15 or 20 years of occupancy. The colonists have the right to acquire ultimatum ownership of the farm, but this can not be done during the period of rent exemption.

<sup>1</sup> International Institute of Agriculture. Monthly Bulletin of Economic and Social Intelligence. Rome, 1913. Vol. 26 (No. 1, January, 1913), pp. 142-160.

From 1897 to January 1, 1910, 22,861 hectares (56,491 acres) were colonized. The average area of each settlement varies between 100 to 900 hectares (247 to 2,224 acres).

In addition to these large settlements the State has already taken measures for the lease of State forests under certain conditions of tenure, and of small lots from 1 to 2 hectares (2½ to 5 acres).

The colonization of the old feudal fiefs existing in Finland was terminated in 1893 under this system of purchase of donation fiefs, and peasants were authorized to purchase with full rights of proprietorship the farms they cultivated, repaying the public treasury in installments of 6 per cent annually.

The State purchase of large estates was really begun in 1900. Under this method of colonization, land has been given to peasants who hitherto had none. Two methods of obtaining possession have been practiced: (1) Sale on particularly favorable conditions under the payment of 4 per cent interest on the principal for some years, after which the land may be extinguished by an annual payment of 2 per cent; (2) ultimate ownership through continuous occupancy by tenancy for 38 years. After the expiration of this period of tenancy the possessor receives by contract "a sure and hereditary right of possession of the land." This form of possession has been employed in order to avoid speculation.

On January 1, 1911, 13 landed estates had been disposed of under this method of absolute right of possession above mentioned. The total area was 26,499 hectares (65,479 acres), and the purchase price 2,256 911 marks (\$435,483.82), or an average of 85 marks per hectare (\$6.64 per acre).

The total area of land transferred up to December 1, 1912, under the form of long-term lease was 35,099 hectares (86,730 acres). These farms were sold for 3,572,468 marks (\$689,486.32), an average of 100 marks per hectare (\$7.81 per acre). There was converted into forests, of this amount, 10,385 hectares (25,662 acres), and the rest subdivided into 1,042 small farms, an average of 24 hectares (59.3 acres) each.

II 1909 the chief inspector of home colonization in Finland reported that 63 per cent of the small proprietors in these colonization schemes were farmers, 8 per cent exercised various handicrafts, 18 per cent were ordinary casual laborers, 3 per cent were ordinary laborers, 2 per cent pere tradesmen, and 6 per cent were not specified.

The State in Finland also indirectly subsidizes home colonization efforts. Towns in the rural district purchase land for settlement, as do also cooperative societies, while the loan banks of the rural districts are also interested in projects.

#### SPAIN.<sup>1</sup>

The problem of home colonization in Spain is one of importance, as two-fifths of the soil of that country is as yet uncultivated, a region limited in use to grazing very largely, while about one-third is sown to grain very extensively.

The purpose of the law on home colonization, enacted August 30, 1907, was to place unemployed families upon the land, arrest immigration, repeople the country, and to cultivate the uncultivated or poorly cultivated land. Both the State and municipalities are authorized to found home settlements by granting land either to individuals or to groups of persons. The State, even after the grant of complete ownership, reserves the right of repurchasing land which has not been cultivated or has been badly cultivated. The land granted is in size adapted to the needs of the person or group of persons desiring it, and according to its own character as regards productivity. Donation, exchange, or sale of parcels granted are void if negotiated within the first six years of date of award. The State prevents the division of the parcels of land and provides for favorable terms of mortgage credit.

The State encourages the formation of cooperative societies for marketing, for credit purposes, purchase of supplies, insurance, organization, instruction, recreation, etc. The State has created also a colonization committee, composed of high officials, experts in agriculture and forestry, members of Parliament, and members of the department of social welfare and reform, to supervise and encourage the colonization work.

The settlements and the cooperative societies for a certain period are maintained under the guardianship of a central committee. There is also a perma-

<sup>1</sup> International Institute of Agriculture. *Monthly Bulletin of Economic and Social Intelligence*. Rome. Vol. 21 (third year, No. 7, July, 1912), pp. 175-194.

nent delegate who is a technical manager of the settlements and president of the board of management of the general cooperative society.

There are three general types of settlements which have been organized under the law: (1) Settlements for intensive cultivation, (2) settlements for extensive cultivation, and (3) for the immediate class of cultivation.

Thus far the public Treasury has borne a large part, if not all, of the expenses of the undertaking of these settlements, but for the future it is held necessary that a special credit institution be established to give proper facilities for working credit and providing for the liquidation of the purchase price of the land and equipment of the settlements.

#### SCANDINAVIAN COUNTRIES.

Interior colonization in the Scandinavian countries takes the form of the encouragement of peasant proprietorship through State credit facilities. These were among the first countries to undertake this line of work, and their methods are quite similar, as they have to deal with very similar conditions. The data which have been here brought together have been compiled from Bulletin No. 158 of the Bureau of Labor Statistics on Government aid to home owning and housing of the working people in foreign countries.

#### DENMARK.

The special advantages which have existed in Denmark for the small peasant proprietors since 1809 are of great interest and importance in the agricultural development of Denmark. A series of laws beginning with that of March 24, 1899, furnished to rural and urban laborers of small means State funds with which to purchase small holdings. Each law was passed for a term of only five years, but so beneficial were the results that no law failed of reenactment. The most recent law now in force is that of June, 1914, which is to continue in force for three years.

According to this law workmen and other persons of small means between 25 and 50 years of age who are citizens of Denmark may secure a State loan to aid in the purchase of a small holding (2.7 to 10.9 acres) not to exceed 5,000 crowns (\$1,340) in value; the total amount loanable, however, is only nine-tenths of above, the borrower being compelled to supply one-tenth of the purchase price. The borrower pays interest at 3 per cent plus a payment on the principal to make a total payment of 4 per cent a year of the total sum loaned.

The amounts appropriated under each act in each of the five-year periods to which the act applied are as follows: Act of 1899, \$3,685,000; act of 1904, \$4,020,000; act of 1909, \$5,360,000; act of 1914 (three years), \$4,020,000.

These laws have had very beneficial results. The total number of peasant proprietors who, by the assistance of the State fund, became owners of their properties from 1900 to March 31, 1914, was 7,117. The State has loaned in all approximately 33,634,000 crowns (\$9,013,912). That the State has been successful in encouraging the younger farmers to establish themselves as owners is shown by the fact that 3,895 (71.6 per cent) of the 5,441 borrowers concerning whom information is available, up to 1911, were between the ages of 25 and 40, and 1,274 (23.4 per cent) were from 40 to 50 years of age. Over four-fifths (82.2 per cent) of the purchasers of properties were married. Day laborers made up 72.7 per cent; agricultural laborers and domestic servants, 9.7 per cent; and other occupations not specified, 17.6 per cent.

The average size of holding purchased was 3.16 hectares (7.81 acres) under the law of 1899, but since 1904 there has been a gradual increase in the size of the farm purchased. Thus, under the act of 1909 the average size was 4.22 hectares (10.42 acres).

The total losses have amounted to only 10,000 crowns (\$2,680).

#### NORWAY.<sup>1</sup>

The main purpose of the Norwegian system for the settlement of small holders, as shown by the report of the commission leading up to the establishment of it, was to act as a deterrent to the continued movement of the Nor-

<sup>1</sup> U. S. Bureau of Labor Statistics. Government aid to home owning and housing of the working people in foreign countries, Washington, 1915. (Bulletin No. 158.)

wegian farmer into the city. Further, the importance of farming was such in Norway that two-thirds of the cultivated farms were of a size to require the employment of paid laborers, and therefore any means for keeping in the country all the available labor supply was of some moment. The means adopted was to make the agricultural laborers owners, if possible, of their own homesteads.

The earliest efforts in Norway toward the encouragement of those without capital to become owners of small landholdings or of their own homes were made in 1894. In that year a member of Parliament made a proposal that the State create two special funds—a land-purchase fund (jordinkjøbsfond) and a housing loan (huslaanefond)—for the purpose of making loans to those without means for the purchase of small landholdings and homes.

In the matter of the land-purchase fund Parliament granted a subsidy of 200,000 crowns (\$53,600) to be placed at the disposal of the communes for the purchase of ground to be sold in lots not exceeding 500 ares (12½ acres) to those of small means. To this loan were attached the conditions following, namely: (1) That no single commune receive over 25,000 crowns (\$6,700); (2) that it pay interest at 3½ per cent annually; (3) that the maximum loan upon any parcel of land be limited to 1,500 crowns (\$402) to a single individual at a rate of 4 per cent and repayable within 25 years.

The amounts appropriated as above at once proved too small. The fund was increased in 1895, 1896, 1900, and 1902. Other changes were made in the conditions for a loan. Thus the maximum loan to an individual was limited to 1,000 crowns (\$268), and the term of repayment increased beyond 25 years in special instances. The maximum advance to any community is now 500,000 crowns (\$134,000) annually.

The annual appropriations for the loan funds is now 4,000,000 crowns (\$1,702,000).

The act of June 19, 1882, made provisions for reducing the size of the estates of State officials, particularly those of the clergy, and for selling the parts so cut off to individual agricultural laborers. The size of the part so sold to any individual was limited to a minimum area of land that would support at least 3 horses and 10 head of large live stock, and a maximum area that would support 5 horses and 20 head of other live stock, to be determined by a special commission and sold at a minimum price. The terms of sale required that one-tenth of the price be paid in advance and the balance in 20 years, no interest being charged, apparently.

Up to the year 1900 about 500 holdings had been thus disposed of, ranging in price from 50 to 1,000 crowns (\$13.40 to \$268), and 380 thereafter and up to 2,000 crowns (\$536). This, however, is not a statement of the entire number of small holdings disposed of to those of small means, for numerous special royal decrees have set aside other Crown properties for subdivision and sale.

The legislation at present in force is the result of a bill drawn by a special commission to investigate the whole subject in 1899, and consists of the act of June 9, 1903, which came into force October 1 of the same year. Later amendments have changed it only slightly (Feb. 13, 1905; May 24, 1907; Aug. 8, 1908; Aug. 20, 1909).<sup>1</sup>

The fundamental idea of the act of 1903 was the foundation of a State credit system to grant loans for home colonization or homestead ownership.

The State bank established began operations with a capital of 3,000,000 crowns (\$804,000). It was found necessary to increase this at various times. The latest increase in its capital took place by a decree of Parliament in 1912, when its capital was increased to 10,000,000 crowns (\$2,680,000), thus making its loaning capacity \$16,080,000 (six times the capital) under the law.

Since its organization the bank has placed 22,600 loans, of which 13,140 were for the purchase of landholdings and 9,460 for the erection of dwellings. On June 30, 1913, there were 12,827 holdings and 8,959 dwellings with State mortgages on them. The total outstanding loans on June 30, 1913, were approximately 32,000,000 crowns (\$8,576,000).

As to occupations, the greatest proportion of proprietors of these small holdings are common laborers and handworkers.

<sup>1</sup> A full translation of the act may be found in the joint report of the American and United States commissions of 1913 on agricultural cooperation and rural credit in Europe. Washington, 1913, pp. 593-598. (U. S. Senate Doc. No. 214, 63d Cong., 1st sess.)



## SWEDEN.

## INTRODUCTION.

Although more of an industrial country, perhaps, than Norway and Denmark, Sweden is still primarily an agricultural country. The character of its housing legislation evidences the agricultural interest of the nation. The first attempts to meet city congestion took the form of proposals to provide homesteads in the country districts for persons of small means. The system is entirely a State-aided one, and aims, among other things, to check both migration to the cities and emigration from the Kingdom.

The movement began as early as 1874 when it was proposed before Parliament to divide the Crown lands into small estates. In 1891, again a committee was appointed to investigate and report further on the subject still in abeyance. This committee in 1892 recommended the passage of a law to alienate certain Government lands and sell them to prospective buyers of small means as homesteads. This the Parliament of 1894 authorized, but it was not until 1896 that the royal order was issued making this effective. It is suggested that the housing investigation in Stockholm in that year may have been instrumental in supplying the impetus to the movement.

The Parliament of 1899 considered no less than five motions for providing homesteads by the aid of State funds. To clear up the situation, it appointed a homestead committee to examine and make suggestions for amending the scheme inaugurated in 1896. It was finally agreed that the aid of the State should consist of long-term loans at a low rate of interest and repayable in equal annual installments. The administration in power appointed a committee of investigation which reported in 1901.

## LEGISLATION IN FORCE.

Upon the recommendation of this committee the Government prepared a bill proposing to set aside for five years a fund of 20,000,000 crowns (\$5,360,000) to be loaned to prospective homestead buyers.<sup>1</sup> Every Swedish citizen 25 to 50 years of age and earning his living by manual labor could borrow from this fund for building a modest house for himself or for purchasing a ground plat. This sum was reduced to 10,000,000 crowns (\$2,680,000) by Parliament, which also provided that loans should be made not directly to the borrower but through intermediary associations, recognized and controlled by State examiners. The intermediaries so recognized have usually been agricultural associations and cooperative societies. Employers are also permitted to act as intermediary borrowers for their employees. A usual condition for recognition by the State has been that the borrowing associations shall limit their interest to a fixed rate and shall submit their by-laws to State approval.

Since 1905 several amendments have been passed fixing the value of property (including land, houses, and farm buildings) for the purchase of which loans may be used at a higher figure than was at first decided upon. The latest amendment (October 17, 1913) fixes the following limits: An unimproved holding not to exceed 8,000 crowns (\$2,144); an improved holding 7,000 crowns (\$1,876); a house 4,000 crowns (\$1,072). The fact that the loan value of unimproved holdings is made higher than that of improved holdings evidences the intention of the Government to encourage pioneering by the peasant proprietor.

The loans must not exceed five-sixths and three-fourths, respectively, of the value of the two classes of property offered in security; that is to say, the purchaser of a farm plat must supply one-sixth of his purchase price, while the borrower who wishes to buy a house must supply one-fourth its purchase price. The minimum loan in either case is one-half the value of the property to be purchased. The interest rate is established at 3.6 per cent, to which must be added the amortization charge; the latter is so fixed as to make the annual payment on a dwelling-house loan 7 per cent, and on a ground-plat loan 6 per cent of the total amount borrowed. For the first three years interest only is paid, but with the fourth year the borrower begins to pay on the principal in addition to his interest. The borrower is required to give a first-mortgage security for his loan.

<sup>1</sup> Meddelanden från K. Kommerskollegii afdelning för arbetsstatistik 1904. Stockholm [1904], pp. 290-302.

The area of land that may be purchased with State advances ranges from 5 to 20 acres. This is considered not large enough and an agitation has been undertaken to permit of the purchase of larger holdings.<sup>1</sup>

#### SUCCESS OF THE SWEDISH HOMESTEAD SYSTEM.

The original sum of 10,000,000 crowns (\$2,680,000) proved insufficient to meet the demands of borrowers during the five years for which it was provided (1905-1909), necessitating an additional appropriation of 800,000 crowns (\$214,400) in 1908. Beginning with 1909 the annual amount made available for the purposes of the act was increased to 5,000,000 crowns (\$1,340,000) or 25,000,000 crowns (\$6,700,000) for the ensuing 5-year period, more than doubling the amount (\$2,894,400) made available during the previous 5-year period. Again this amount was found inadequate and an appropriation in 1913 of 2,500,000 crowns (\$670,000) was found advisable. For the year 1914, 7,500,000 crowns (\$2,010,000) were set aside.

The largest proportion of the sums advanced at the request of the agricultural societies goes toward the purchase of small holdings.

The agricultural societies have made 8,320 loans during the years 1905 to 1913, amounting to 22,799,663 crowns (\$6,110,309) to aid in the purchase of small holdings.

Those already interested in agriculture form the largest group of those benefiting under the law; farmers and agricultural laborers together form over one-third of the total. But factory workers form well over one-fourth and hand workers constitute one-fifth, so that these classes, also are well represented; therefore it may be assumed that the law is reaching the classes for whom it was intended.

Mr. STEWART. Do you desire us to stick to the colonization scheme in this presentation?

Mr. KEATING. Suppose you consult with Mr. Crosser, and in conjunction with him submit to the committee such facts in support of his proposition as would appeal to you.

Mr. STEWART. I will do that.

The CHAIRMAN. Mr. Sumners suggests that if you would summarize that report it would probably give us what we want.

Mr. SUMNERS. Give us the method of procedure, without reference to the causes.

Mr. STEWART. I will be glad to do that.

#### STATEMENT OF MR. LEIFUR MAGNUSSON, SPECIAL AGENT, BUREAU OF LABOR STATISTICS.

Mr. KEATING. You may proceed in your own way, Mr. Magnusson, to give the committee such information as you have in reference to this subject.

Mr. MAGNUSSON. Mr. Chairman, I have gathered information along this line for the use of the Assistant Secretary of Labor. The sources of my information in reference to the character of public lands are the reports issued by the General Land Office. They are very general in terms, and to get at the detailed character of the land requires a field survey.

I may state for the information of the committee that there is at present in round numbers, about 280,000,000 acres of surveyed and unsurveyed land, which is unreserved and unappropriated, belonging to the United States Government. That is, it is land the title to which is still in the Government. Of that amount about

<sup>1</sup> Departmental committee on the equipment of small holdings. Report. Reprinted from Parliamentary paper (Cd. 6708) of session of 1912-13. London, 1913, p. 44.

107,000,000 are unsurveyed and about 173,000,000 acres are surveyed land. The description that is given by the Land Office is general, merely stating that it is agricultural, grazing, or mineral land. That is not very specific, and the agricultural land, as suggested by the Secretary, would probably have to be surveyed in very detailed fashion in order to determine the character of the soil.

The Bureau of Labor Statistics has made some study of the foreign systems, particularly, as shown by reference to Bulletin 158, of the colonization schemes of the three Scandinavian countries—Sweden, Norway, and Denmark—and to a slight extent of Australia and France. The purpose that these States had in mind in these projects is the same as the committee has in mind in reference to this particular legislation—that is, the relief of the congestion of employment in the cities.

I do not know that I am called upon to express any opinion concerning the proposition which is before you at the present time. If I should do that, it would be purely my own personal opinion. I am quite sure, however, that we shall be able to give the information which has been requested by the committee.

MR. BROWNE. What States are there where you think there is a considerable quantity of good agricultural lands outside of the irrigation projects?

MR. MAGNUSON. There is not much United States Government land. There is considerable, I believe, in my own home State of Minnesota, where they have a great deal of State land, which they sell practically on long-term credit of 40 years.

MR. KEATING. I think, as a westerner, that I might suggest to the witness that most of the public domain still in the hands of the United States Government in the West is arid or semiarid. The extent to which dry farming may be expected to prove a success is an open question. You will find a wide diversion of opinion among western people who are familiar with the conditions in that section of the country. A great many people in the West insist—take, for instance, in eastern Colorado and western Kansas and all through that section of the West—a great many people insist that it will eventually prove available for agriculture, and others insist that it must be a combination of agriculture and stock raising. Those questions have not been determined up to the point where any man may speak with authority in connection with them. You can cite any number of instances in that region where farmers have made a very pronounced success of dry farming, and, on the other hand, you can produce many witnesses to show that it is a rather precarious proposition.

Personally, I believe that the so-called semiarid lands can be made available for homes, but it must be brought about by a combination of farming, stock raising, and dairying.

As a friend of mine expressed it while I was making a tour in my district last summer, a little old cow and a little old hen will eventually prove the salvation of the farmers in the semiarid region. In other words, dairying and poultry raising, combined with a certain amount of agriculture, will do the business. If we have rains at the right season we can raise magnificent crops on those lands. If those crops are conserved the farmer can prosper.

Mr. SUMNERS. I have been a good deal through the West myself. It does seem to me, if you take a man there who has not got much money and who has not any great farming experience, that you will be putting that man up against a very hard proposition to start into farming in an enthusiastic way, when you put him up against the semiarid western lands. I do not believe he can make it go. The land on irrigation projects is an entirely different proposition, and that is capable of community development.

Mr. KEATING. As I stated at the last hearing of the committee, in order to show you how attractive the semiarid lands are, in the last two years in my own district alone between eight and ten thousand heads of families have come into that district and filed on semiarid lands.

Mr. CROSSER. Is it not a fact that some of the forest lands are very fine for agricultural purposes?

Mr. KEATING. There is no question but what there is a very considerable area of land in the forest reserves where homes may be made.

Mr. MAGNUSON. You can ascertain the amount in the Government forests from the Government reports, and you can ascertain the amount that is agricultural land and the amount that is grazing land.

Mr. KEATING. I do not mean when I say there are areas of the forest reserves which can be used for homes that you should cut away the timber and destroy the forest, but what I mean is that in the forests there are open areas now included in the national forests which may be thrown open and are constantly thrown open for homesteads.

Mr. NOLAN. I have had a little experience along that line with our public lands. We do not seem to have any common-sense method of exchange of lands in the forest reserve adjacent to this agricultural land. The agricultural land is in spots, and they have tried to work out some scheme whereby they could exchange the lands of private owners, so that those lands could be opened up for development. They are practically inaccessible; there are no roads, and no way to get in on the lands, and for that reason people do not want to settle upon them. But there are others who own private timber adjacent to that land, and if that could be exchanged, acre for acre, it would rather relieve the situation and give the man with the private timber an opportunity to get that land open for development, and at the same time get land equally as valuable for timber in other sections that would be as valuable to the United States, and that is one of the things the present administration is trying to work out.

Mr. MAGNUSON. I do not think there is any way to determine the amount of agricultural lands in the forests that can be used as such.

Mr. STEWART. How far can we show the cut-over land where the timber has been cleared off that is owned by the State?

Mr. MAGNUSON. I think those can be determined by reference to the State reports. I know in the State of Minnesota you can do that.

Mr. KEATING. The State of Colorado has approximately 3,000,000 acres of land, the most valuable agricultural land in the State of Colorado, that is now leased in large part to farmers under the leasing system, and the farmer is compensated for the improve-

ments which he makes. When his lease expires, if he does not desire to renew the lease and another farmer takes up the lease the new man pays for the improvements, and the price he must pay is determined by the State Board of Land Commissioners, and that board always gives the tenant the benefit of the doubt. They place a liberal estimate on his improvements. The amount they fix must be paid by the new tenant, and he goes on and continues to cultivate the land until his lease expires, and if he does not renew the lease but transfers the lease to someone else he is compensated for the improvements which he has made.

I think that system is operative in most of the western States.

Then you have the great reclamation projects. The great trouble with the reclamation projects is that the Government has gone about that matter just as it has with all other efforts. It is a case of permitting inexperienced people to go on there and allowing them to do as they see fit without any advice from the Government.

Practically every other nation goes further than that. Australia has put in reclamation projects, but they have done more than that. When they put a man on a piece of land they follow him to the point where he is successful. They have a system of rural credits. They explain to the man what crops can be raised on the project; they show him how to raise the crops, and even go so far in some cases as to put in the first crops for him, and then they assist him in the matter of marketing.

Mr. CROSSER. Mr. Magnusson, do you know anything about the Alaska public lands?

Mr. MAGNUSSON. Those are reported upon separately. There is more there in proportion than in the continental United States.

Mr. CROSSER. They are very excellent in quality from an agricultural standpoint, are they not?

Mr. MAGNUSSON. I believe they are.

(Thereupon, at 11.50 o'clock a. m. the committee adjourned to meet Thursday, May 25, 1916, at 10.30 o'clock a. m.)

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COMMITTEE ON LABOR,  
HOUSE OF REPRESENTATIVES,  
*Thursday, May 25, 1916.*

The committee met this day, Hon. Meyer London (acting chairman) presiding.

Mr. LONDON. Mr. Holder, you may proceed.

**STATEMENT OF MR. ARTHUR E. HOLDER, WASHINGTON, D. C.**

Mr. HOLDER. Mr. Chairman and gentlemen of the committee, I do not represent anyone here to-day but myself. I make this statement because of the understanding with the American Federation of Labor that no one should come before congressional committees and represent that organization on a subject upon which the organization itself or its officers have not made a declaration. You can

Mr. CROSSER. You do not mean that you do not represent anybody, but that you are not officially representing anybody?

Mr. HOLDER. I am not representing anyone but myself, but I might add that there are a great many men, especially in my trade,

and the union in which I hold membership—the International Association of Machinists—who have similar views to my own, and I believe I will not be overstepping the bounds of discretion in any statement that I may make concerning the propositions contained in the bill Mr. Crosser has introduced.

I am going to ask to have incorporated in the hearings the bill H. R. 11329, and it may as well go in with my remarks. I do that for a specific purpose. It used to be the regular rule in all committee hearings that the bill under discussion would be made a part of the record, but of late we have been getting out of that habit, and then in the course of years, when someone will want to know what this Crosser bill was, there will not be any copies in the document room or in any other archives of the Government, but if we incorporate it in the hearings we can always find it. (See p. 5.)

A question was asked several times at the last hearing by a gentleman of the committee who is not here now, Mr. Sumners, of Texas, in which, I think, he substantially said that there was no need for any argument to establish the virtues of the principles of this bill, but what was needed were facts, figures, and data as to what had been done in other countries and about what the situation was in those countries before legislation of a somewhat similar character to this was enacted, and what the legislation provides. So, for the benefit of the committee, I am now going to mention the fact that one of the departments of the Government, the United States Department of Labor, through its Bureau of Labor Statistics, made a world-wide research, the results of which have been incorporated in Bulletin No. 158, entitled, "Government Aid to Home Owning and Housing of Working People in Foreign Countries." That research covered such countries as Austria, Belgium, Denmark, France, Germany, Great Britain, Hungary, Italy, Norway, Sweden, Australia, New Zealand, and other countries.

Mr. BROWNE. Is that a Senate bulletin?

Mr. HOLDER. No, sir. This is United States Bulletin No. 158 of the Department of Labor, Bureau of Labor Statistics. It is an exceptionally valuable document, and, so far as foreign countries are concerned, the last word on the subject has been compiled within its covers, it having been issued recently, October 15, 1914.

I have not had an opportunity to go through this valuable document, neither am I able to speak clearly upon its contents, but looking through the index I find that it covers almost every imaginable subject dealing with Government aid, State loans for workmen's dwellings, housing of State and other employees, loans of public funds to public-welfare building associations, giving the form of administration, the method of raising funds, unearned increment taxes, the purposes for which advances are made, the amounts and conditions of loans, the interest rates, the methods of repayment, the exemption of certain State taxes, foreclosure proceedings, right of construction on Government land, life insurance, etc. With that bulletin before you, ready to consult at any time, I believe that you will be fairly well informed as to what other countries are doing.

I am not, however, so deeply impressed with foreign experiences, or with foreign legislative experiments. I am vain enough to think that we are resourceful enough in the United States to be able to

handle our own problems in our own way—probably a little better than the people in other countries can show us. Of course their problems are more local and probably are more easily treated than are ours.

Coming back to the question of the need for this legislation, I must say a word, gentlemen, with regard to that, but I will not go into it deeply. I want to say, with all the earnestness that I can command, that there is no greater need before the people of the United States to-day than legislation similar to that which is contained in this bill—H. R. 11329.

The first need is a fundamental and vital one, to safeguard political liberty and to preserve the economic freedom of the people who work for a living. The economic conditions in the United States, particularly among the employees of the larger corporations, commonly called "trusts," are anything but enviable. The men and women who work for those concerns—I will enumerate them presently—are practically bartering their very lives and their liberties away for the opportunity to have employment by which they can live from day to day. They do not do it willingly; they do it because of the iron law of economic necessity. As a consequence there is a feeling of unrest among the people, the wealth producers, that if you only knew it as I know it you would be thrilled. The people are wondering what they shall do to get from under industrial tyranny, which way they can turn in order that they may have a larger measure of freedom. The freedom of a human being rests upon one substantial natural feature, and that is, has he a place upon which he can stand and call it his own? That brings together the elements of human nature and natural opportunity—man and land.

In the past the gentlemen who formerly occupied official positions in this building were—either unwittingly or otherwise—unduly profligate with the disposition of the natural opportunities of our country. The gave away—bartered sometimes for little or no value—millions upon millions of acres of our public lands. I believe that a great many of them were actuated with the idea that encouraging capitalists to build railroads, inducing capitalists to operate mines, making it profitable for capitalists to develop certain tracts of land would eventually redound to the benefit of the people because the benefits received by the capitalists would sooner or later trickle through to the rest of the people in some manner of means, but the benefits have not trickled through quite as plentifully as justice would demand.

This bill calls for a change from those circumstances, and I am pleased to call it a bill that would restore, in some small measure at least, the common weal of the people to the people, so that they themselves could use it for their own economic benefit. I am not going to pretend, gentlemen, to analyze the bill. I have not had the time and I have not the ability—I am going to be perfectly honest—but if I were the author of the bill, or a member of this committee, I think I should not press too vigorously, at first, the colonization feature which it contains. I say that because of the fact that I have had a very varied experience in a great many States and in a great many industries, and I find that the American people are not yet favorably inclined to the cooperative idea, which colonization would in part

mean. The old individualistic desire to be one's own boss still lives in the hearts of our people, and if you can take the other features of the bill and conserve the public domain which still remains in the hands of the United States Congress so that the people can be reasonably assisted to reach those spots, with funds to sustain them for a limited period, with an interest charge which would not be excessive, it would quickly come back to the Government a hundredfold. It would not be a loss—it would be a large investment by the Government for the people, not only from the standpoint of revenue and the standpoint of increased population, but it would have the greater benefit and the one that appeals to me most strongly, it would relieve men who are now chafing under the arbitrary rules of employment in the big corporations that I am now going to refer to. The big corporations in the lumber industry, in the furniture industry, in the meat packing and slaughtering industry, in the agricultural implement industry, and in the iron, steel, and blast furnace industry, oppose with every means at their command the organization of their employees. In the industries which I have enumerated you will find, if you choose to examine them, conditions of economic thralldom that the world has never before known the like.

Mr. BROWNE. How does that condition compare with the condition of the same laborers, say, 5 and 10 years ago?

Mr. HOLDER. The condition is worse to-day than it was 5 or 10 years ago. It is gradually getting worse. Our organizations have not been able to make a dent in the armor of the men who control those trust corporations and such as are termed "big business." Most of the working people engaged in them are locked up during the working hours within four walls and, in innumerable cases, are surrounded with armed guards, even in time of peace. They work unreasonable hours and the men are tired and weary when they finish their tasks, and are absolutely unfit to talk to people.

Mr. COOPER. That does not speak very well for the labor organizations, then?

Mr. HOLDER. Yes; it does.

Mr. COOPER. If I remember aright, Mr. Gompers made a statement recently before this committee in which he said just the opposite to what you have said; that is, he said that through organized labor conditions, wages, and hours of labor had been much improved in the last 10 years.

Mr. HOLDER. Positively; and I agree with him. We can substantiate that fact; but it does not apply to the men employed in the industries and trust corporations which I have enumerated.

Mr. COOPER. I was referring to the question asked by Mr. Browne.

Mr. HOLDER. I was answering Mr. Browne's question as applying to these industries, but not as applying to the other industries. Take, if you please, some other trades. Take the railroad business. There is not a man working for a railroad to-day who is working under such onerous conditions as he did 5, 10, 15, 20, or 25 years ago. And, Mr. Cooper, the reason that the conditions have been bettered among railroad employees has been because of the fact that the men who have been so employed have fought like tigers for their rights and they have made the most tremendous sacrifices. No man knows that better than you, Mr. Cooper.



Mr. COOPER. You have reference to the men who are not affiliated with the organized-labor movement?

Mr. HOLDER. Not connected with it in any shape, manner, or form.

Mr. LONDON. Is that because organized labor can not reach them?

Mr. HOLDER. Yes, sir; not because we have not spent hundreds of thousands of dollars in literature and years of personal effort. I do not want to relate any personal experiences here.

Mr. COOPER. You do not want to take in all classes of labor?

Mr. HOLDER. We do want to take in all classes of labor, but I am not referring to that now. I am specializing.

Mr. BROWNE. I have not had any personal observation upon this subject, but once in a while I get books that illustrate the conditions in different large plants, some of them steel plants, I think, the steel companies illustrating the environments around the plant—the rest rooms and places of that kind—which would cause anyone to believe that the conditions are fine. Have you ever seen any illustrations of that kind?

Mr. HOLDER. Yes, sir; I have seen them taken. I have seen them prepared for just such publications to capture the good will of people who have had not had an opportunity to make a personal examination of the surroundings or have a personal first-hand touch with the awful conditions of servitude that prevail, especially where the United States Steel Corporation controls. Time will not permit me to go into those agonies, and I do not even want to call upon my own experiences, because some of them would have to be told in such a personal way that it would appear that I was trying to advertise myself, which I am not. I am going to ask you gentlemen, whenever you have an opportunity, to stop in some steel town and just move around for a day or two or a week. You will not want any better vacation than simply to talk with the men on the corners, if you can get them to talk to you. If you are a member of a fraternity, whether it is the Masonic fraternity, the Knights of Columbus, the Knights of Pythias, or the Odd Fellows, so that you can reach the men and expect to get their confidence, I am almost ready to guarantee that you will not be able to ascertain the truth, even then, when you shake a brother by the hand and know that you are exchanging the proper grip.

Mr. LONDON. Is that because of intimidation?

Mr. HOLDER. They will be found reluctant to talk to you as a stranger because of the fear that you are trying to ascertain something about them that will endanger their jobs, and if they lose a job in that locality they are marked men and can not go to another locality where the same concern operates the same business or has an affiliated business connection with it, so that they really have to leave the town or the business and find some other occupation.

Mr. COOPER. You are speaking of organized labor?

Mr. HOLDER. No; I am speaking about unorganized labor employed by the trusts and big corporations.

Mr. LONDON. Is this condition which you have described due to the impossibility to organize the people?

Mr. HOLDER. Yes, sir; and every day makes it harder. At the present time we are conducting a campaign in western Pennsylvania and eastern Ohio, wherever the hot-metal industry runs, from cen-

tral Pennsylvania to eastern Ohio, where the Bethlehem Steel Co. and other concerns operate, trying to do all we possibly can. Every once in a while there is an industrial eruption. You may probably remember the strike at the Bethlehem Steel Works in 1910. You remember the recent calamity that took place at East Youngstown, only a few weeks ago. At the present time the pot is boiling in the vicinity of Pittsburgh, where the Westinghouse concerns are merged along with the large steel companies. The press does not dare to say a word for labor, the public men do not dare to say a word for labor, and there is no one left to fight their battles but our organizations.

The men who have already affiliated themselves with the affairs of organized labor have made up their minds that the task is theirs. We are going to continue to keep at it until we can bring about remedies and until we secure relief for the men who are willing to act with their associates and who believe in being self-helpful through a labor organization. In other industries we have made tremendous strides, particularly during the last 25 years. We have established freedom of occupation, freedom of representation, we have shortened the hours of labor at least 20 per cent in many occupations, and in some cases 25 per cent and 30 per cent, and we have increased wages from 25 per cent to 200 per cent. That is a tremendous march of events. We have obtained the right of seniority and the right of representation for the workers before the employers. We have restored the right of a man to belong to himself. We have restored political liberty. We have improved sanitary conditions. We have improved safety conditions; and we promise you that we are never going to quit in our endeavors to lighten the lot of our fellow workers. We are going to keep continually at it until all the natural rights of all men are permanently restored.

"Life, liberty, and the pursuit of happiness" shall yet be a positive actuality and not a mere fiction garbled by the lips of self-seekers in a meaningless, thoughtless manner.

Mr. LONDON. You have achieved the best results in those industries which have not been monopolized?

Mr. HOLDER. Yes, sir.

Mr. LONDON. With the exception of the railroads?

Mr. HOLDER. Yes, sir.

Mr. LONDON. Where it is possible for the workers to paralyze transportation?

Mr. HOLDER. Not that so much. I would put it this way: Where we have had an opportunity to get at the workers while they are still awake, where their energies have not been exhausted, and where their intelligence is still alive. When we can converse with them during the waking hours of the day and appeal to their best faculties, we can interest them, but where they men come out of the mill or factory after a long day of driving toil and agony, being driven like mules for 10, 11, or 12 hours a day, they do not want to talk about anything; they are too anxious to lay down and rest their wearied bodies and prepare for the next day's monotonous grind.

Mr. COOPER. A great many of them are hard to reach because they can not read?

Mr. HOLDER. Unfortunately a great many of the foreigners can not read. Under such circumstances we have only one avenue to

their intelligence and that is through their ears, and if we can not speak their language and they can not understand ours that avenue of intelligence is closed. If they can read, we have that second and best avenue to their intelligence, and we can explain by the written or printed word our purposes and our desires to them in their own language so that they can read and reason it out for themselves.

Mr. LONDON. In those industries where you find it hard to organize, what part does the native American worker play, so far as organization is concerned? Does he obstruct the organization of workers and help the employer to keep the others down, or does he help the foreigner to bring himself out of that miserable condition?

Mr. HOLDER. In my experience I have found that the American worker is usually helpful to the foreign worker. He sometimes shows impatience if the foreigner does not come along quickly. That is a condition which must not be overlooked. Of course, it is difficult to make the foreigner understand our purposes, it takes time, it can not be always accomplished on the impulse of the moment.

I want now to tell you about something that is happening in the United States which is really more interesting than anything contained in Bulletin 158 on Government aid in foreign countries, because it is an indication of wonderful progress among our own wage earners here at home.

**RESOLUTION BEFORE SAN FRANCISCO CONVENTION, AMERICAN FEDERATION OF LABOR.**

At the last convention of the American Federation of Labor held in San Francisco, November, 1915, this resolution was introduced by the delegates from the Portland (Oreg.) Central Labor Council, and, with your permission, I am going to read it, because if I merely put it in the record I am afraid you will not have time to read it.

Whereas, the Central Labor Council of Portland and vicinity, in an effort to abolish involuntary unemployment in Oregon, has drawn up for submission to the people thereof by the initiative and referendum a measure designed to accomplish this purpose and make the land and natural resources accessible to the people, said measure being known as the people's land and loan measure; Therefore be it

*Resolved*, That we petition the Thirty-fifth Annual Convention of the American Federation of Labor to aid us in placing this measure on the ballot and passing same at the coming general election, as follows—

Of course, you know that they have the initiative and referendum in full operation in the State of Oregon.

(1) By commending the measure to the workers and producers of Oregon and urging their individual support of same.

(2) By recommending to all affiliated organizations voluntary moral and financial assistance.

(3) By instructing the organizers of the American Federation of Labor, who may be in Oregon during either campaign, to aid us in so far as they may without interfering with their specific duties.

(4) That the convention shall urge all affiliated internationals to aid us by instructing the organizers and officers, when in Oregon, to cooperate with us in so far as they may without interfering with their specific duties.

That resolution was referred to the committee on resolutions and the secretary of that committee reported as follows:

Your committee recommends that the resolution be referred to the executive council with instructions to take up the subject with the Oregon State Federation of Labor.

A motion was made and seconded to adopt the report of the committee, and, after some discussion in the convention, which I will not stop to read to you; but which, I think, should be incorporated in the record, the motion to adopt the report of the committee was carried by a unanimous vote.

Since the consideration of the resolution by the convention. I am very glad to be able to report that the executive council of the American Federation of Labor took this resolution under consideration at its quarterly session in February, 1916, and they unanimously indorsed the measure.

DISCUSSION UPON THE OREGON RESOLUTION AT THE SAN FRANCISCO CONVENTION OF THE AMERICAN FEDERATION OF LABOR.

Delegate Smith, of Portland, said: "This legislation in Oregon is being urged by the Central Labor Council of Portland. It will be presented to the voters. We have the entire support of the labor movement in Oregon, and we would like to have some indorsement from this convention. I would like to ask the committee how long it will take to get action on this proposition?"

Secretary Frey said: "The question will probably be taken up by the executive council immediately after the adjournment of the convention."

Delegate Bourne spoke briefly in favor of the resolution, and stated that quick action was desired.

Delegate Smith, in explaining the measure, said in part: "This measure is the direct result of study and investigation upon the part of the Central Labor Council of Oregon of the question of unemployment, and what can be done in a legislative way to abolish that evil. In Oregon, as in many other States, or practically all of the States, the large interests are backed by the money power and they have control to a greater or less degree of the land and of the natural resources. In Oregon we have as our fundamental industry the timber industry, and the Southern Pacific Railroad and the great timber barons have possession of our resources. In studying the unemployment problem we decided that there was only one way to get these resources back. We have many men in our State, as you people have in your States, who would like to get out upon the land. They can not do so without paying the inflated speculative prices, and, if they do have an opportunity to get upon the land, they haven't the money to do so. This bill is a combination of what is familiarly known as single tax and State aid. It does not go all the way. The only way we can hope to get the land and the natural resources back to the people is through taxation. It seems that the Government has never been able to limit taxation, and we propose to levy as a State tax such a sum per year as is equal to the land rent, whether it is used or whether it is not used. A third of all of this rental will be placed in a homeseekers' loan fund. From this fund the men and women in the country and in the city can borrow from the State a sum equal to \$1,500. They will have 20 years to repay it. The first five years they will pay no interest except the administrative expenses of the loan. The next 15 years they will pay a small rate of interest. We hope this will grow and develop so that in time we will not have any private banks in Oregon. Under this bill there can be no tax levied upon personal improvements by a mere scratch of the pen. It will have to be done by and through the consent of the people. If property is sold for delinquent taxes the State will pay all the delinquent taxes and the value of the improvements that have been made. When the State once acquires title to a piece of property because of delinquent taxes the title from that time on is vested in the State and it can not be sold to private individuals. It must be leased."

Delegate Smith described at some length the benefits that would accrue from the legislation and the work that had been done in perfecting the bill.

The motion to adopt the report of the committee was carried by unanimous vote.

I am going to now ask your indulgence to read a part of the proposed new bill of rights and to have the whole incorporated in the record. I know that this will give you more enlightenment than all of the matter contained in Bulletin 158 and all of the other appeals that have been made to you for the necessity of this legislation; it shows the resourcefulness of the working class in the great State of Oregon. There are thousands and thousands of union workmen in other States that indorse absolutely all of the principles that are contained in this proposed bill of rights of the people of Oregon.

Mr. BROWNE. When will that be submitted; in November, 1916?

Mr. HOLDER. Yes, sir; and it will be worth watching. Of course, it is the chief object of public interest in that State now, more than the election of any man or any set of men to fill offices. It is called the bill of rights.

Article 1 is entitled "People's power and rights."

#### PROPOSED BILL OF RIGHTS, STATE OF OREGON—PEOPLE'S POWER AND RIGHTS.

SECTION 1. (a) We declare that all citizens have equal rights; that all power is inherent in the people, and all just governments are founded on their consent and instituted for their peace, safety, prosperity, and happiness; that they have at all times a right to alter, reform, or totally change the government when a majority of those voting believe they can thereby promote the general welfare.

##### CITIZENS' RIGHT TO USE OF LAND.

(b) We reaffirm our faith in the self-evident truths of the Declaration of Independence, "That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness." In pursuance of these rights all citizens of Oregon are equally entitled to exclusive possession, for their personal use, of land enough for their homes and to yield a living by their labor, without paying any person for the right to live and labor on the land.

That is something new and novel to go into the constitution of a State.

##### PUBLIC OWNERSHIP OF LAND RENT.

(c) Public ownership of all land rent is right, because such rent is created by the presence, industry, and productive power of the whole people. Private ownership of land rent is the chief cause of land monopoly, land speculation, and economic oppression—

Which in my previous remarks I have so vividly referred to.

It is therefore right and necessary, in order to promote the general welfare, that all land rent shall be collected by public taxation, whether the land is actually used or not.

##### PUBLIC POLICY.

(d) It is the public policy of Oregon—

First. To abolish all forms of land monopoly so as to prevent any person from getting a profit by owning land without using it.

Second. To abolish involuntary unemployment and poverty in this State by enacting such laws as shall insure to all citizens opportunity for the exclusive possession and use of enough land to employ themselves and make their homes.

Third. To protect all persons in the absolute ownership of the value of their land improvements and the income therefrom.

##### DEFINITION OF THE WORD "LAND."

(e) For purposes of assessment and taxation appraisement, the word "land" means the earth, including soil water, water power, minerals, stone, natural oils, gases, timber of natural growth, and all other natural resources before being severed, removed, or withdrawn from their natural position.

I pause for a moment to add that one of the questions before this committee in its previous consideration of Mr. Crosser's bill was "How shall we do it?" I believe that question is answered in the proposition by the Oregon people about as quickly and as definitely as anything that I have seen or heard, and, of course, a great deal better than I could advise.

## DEFINITION AND METHOD OF APPRAISING LAND RENT.

(f) The words "land rent" as used in this section mean the fair and just price per year, as appraised by public officers, that a renter should pay for the use of any lot, tract, parcel, or quantity of land on a lease which includes the following conditions:

First. That the renter has a five-year lease with the perpetual right to renew his lease at the end of each five-year term.

Please note the inclusion of the words "perpetual right."

Second. That the rent shall be appraised and readjusted every fifth year, when the lease is renewed for the next five years, and that "land rent" shall not include any charge for the use of land improvements.

Third. That there shall be no increase of the "land rent" because of additional improvements and betterments made on, in, or under the land.

Fourth. That the appraised land rent shall be paid to the public tax collector.

Fifth. That there shall be no tax or other charge to be paid by renter for the use of the land except the appraised "land rent," and there shall be no tax on the market value of the land, except as hereinafter provided in paragraph (h) of this section.

Gentlemen, would you like me to read the rest of this bill of rights, or shall I incorporate it in the record?

Mr. COOPER. It might be as well to incorporate it in the record.

Mr. HOLDER. It is wonderfully entertaining and it is not tiring to me to read it.

Mr. LONDON. Then proceed to read it.

Mr. HOLDER (reading):

## DEFINITION OF LAND IMPROVEMENT.

(g) The words "land improvements" mean buildings, clearing, ditches, drains, orchard trees, vines, crops of all kinds, fences, and all other useful and ornamental changes, growths, and additions made by labor and capital in or to any natural resources, or on, in, or under any lot, tract, or parcel of land.

That definition is pretty sweeping.

## LEVY OF PERMANENT LAND-RENT TAX.

(h) During the year 1917 the State land board shall cause the county assessors and State tax commission to appraise the annual land-rent price of every lot, tract, parcel, and quantity of land on the basis set forth in paragraph (f) of this section, except land owned by the National, State, and local Governments. The State land board is hereby granted full authority to manage, control, and direct such appraisal, and to employ such expert assistance as the board may consider necessary and to expend from the general fund of the State treasury the sum necessary for that purpose. Such appraisal shall be made again in the year 1922 and every fifth year thereafter.

Beginning on the 1st day of January, 1917, all the appraised land rent of the land of Oregon (except such land as is now exempt by law from tax) shall be collected as a public tax in such manner as may be provided by the rules to be made by the State land board: *Provided*, That no such rule shall be contrary to the provisions of any lettered paragraph of this section, nor contrary to general laws for that purpose that may be hereafter enacted by vote of the

people. The land-rent tax shall be paid whether the land is actually used or not used. This section shall not prevent the collection of taxes levied in 1917, for the year 1916, on the assessment made in 1916, or any previous assessment. After the making of the above tax levy for 1916 no other or further tax shall be levied on the market value of land and the above land-rent tax shall thereafter be the only tax on the ownership or use of land in Oregon.

Mr. BROWNE. Is that a proposed amendment to the Constitution?

Mr. HOLDER. Yes, sir. I pause to say that it is an evidence of the intent of some of the people of the United States to have actual, full, and complete home rule by putting all the details into the Constitution so that they can not be upset by the courts afterwards. It is a most practical and revolutionary proposition.

Mr. BROWNE. I notice that you mentioned 1917?

Mr. HOLDER. Yes, sir.

Mr. BROWNE. When does that go into effect? Before the citizens vote for it in November, does it not have to go before the legislature?

Mr. HOLDER. I do not know what the complete system is in that State. I believe in Oregon the referendum is complete and final, and that is the reason that they present it in this form. It evidently is for the purpose of avoiding having the legislature even act upon or interfere with it.

Mr. BROWNE. In most of the States a resolution has to pass two legislatures and then goes before the people.

Mr. CROSSER. They do not have that system in Oregon. This will become effective immediately after being submitted to the people. I thought you had reference to the passage of laws.

Mr. BROWNE. They can amend the constitution by a referendum?

Mr. CROSSER. Yes, sir; we do that in our State.

Mr. HOLDER (reading):

#### PUBLICATION OF ASSESSMENTS.

(i) The State land board shall provide every fifth year, when the land rent appraisement is made, for publication and distribution to every taxpayer a copy of the assessment and tax roll for the county in which he owns property, or for any subdivision thereof, including his property, as the board may deem necessary. In such published rolls the names of owners shall be alphabetically arranged, and under each owner's name shall be listed all the land rents and other property for which he is assessed in that county or subdivision.

#### DELINQUENT TAX SALES.

(j) The State land board shall bid the amount of delinquent tax and land-rent taxes, with penalties and costs, but no more, on any land offered for sale at delinquent-tax sales. The title to all land that may be sold to the State for said delinquent taxes shall vest absolutely in the State at the expiration of two years from the date of sale, if the land is not sooner redeemed. The title and ownership of improvements on, in, or under any land sold for taxes shall not be acquired by the State or any other purchaser on such sale, unless the improvements are also sold for a tax levied on the improvements. The State shall rent its land by leases, including the conditions of paragraph (f), with such other conditions, covenants, and agreements as the State land board may order. The State shall not sell any land.

(k) If any person's land-rent tax, payable in one county, exceeds \$12 per year, such tax shall be paid in equal monthly, quarterly or semiannual installments, as may be provided by law, or by the rules of the State land board. Failure to pay any installment of land-rent tax when due shall render such tax delinquent and immediately subject to such penalties and process for collection as may be provided by law or by the rules of the State land board.

## RIGHTS OF PRIVATE PROPERTY MAINTAINED.

(l) One purpose of this section is to restore public ownership of land rent, but it does not change, limit, or abolish any person's right of private property and exclusive possession of land and land leases, as long as the land-rent tax is paid.

## SEPARATE ASSESSMENT OF LAND RENT.

(m) The amount of yearly land-rent tax of every lot, tract, parcel, and quantity of land shall be listed in the assessment and tax rolls separately from other taxes and from the assessed value of any personal property, and separately from the taxes and assessed value of any improvements on, in, or under such land.

## STANDING TIMBER.

(n) Standing timber of natural growth shall be assessed and taxed as a part of the land on which it grows.

## ASSESSMENT AND COLLECTION OF TAX.

(o) The laws in operation for assessing property and levying and collecting taxes and delinquent taxes when this section is adopted shall continue in force, and shall be applied to the collection of the tax hereby levied on land rent, except as herein provided, and as such laws may be changed by amendments and rules made hereafter in accordance with this section.

## DUTY OF GOVERNOR.

(p) It is the duty of the governor to enforce all the provisions of this section and all the laws for its application and the rules of the State land board. For that purpose the governor may remove any members of the State tax commission and any assessor or appraising officer for incompetence, failure, neglect, or refusal to do their duty as prescribed by this section, or by the laws or the rules of the State land board, and shall appoint their successors in office for their unexpired terms.

## DUTIES OF THE STATE LAND BOARD.

(q) The governor, secretary of state, and State treasurer constitute the State land board. Any two of the members constitute a quorum to do business. The duties of the board are:

First. To make, promulgate, and publish all rules expedient to apply and enforce the provisions of this section not in conflict herewith.

Second. To prescribe all forms and blanks for use under this section.

Third. To provide for making all loans as safe and secure as practicable, and to require insurance of all perishable land improvements and other security taken for the repayment of loans.

Fourth. To provide methods of appeal, for any person interested, from the decision of a local appraiser who recommends approval or rejection of an application for a loan.

Fifth. To make its forms, blanks, and rules so plain that there will be no need for an applicant to employ a lawyer in preparing or presenting his application for a loan. Every such rule made by the board shall have the force and effect of law until it is changed or repealed by a general act or law adopted by vote of the people at a regular general election. No such measure shall be submitted to the people at a special election.

## SPECIAL TAXES ON PERSONAL PROPERTY AND LAND IMPROVEMENTS.

(r) A special tax may be levied on personal property and land improvements in any year, for local purposes only, by school and road districts, towns, cities, and counties. Every such levy shall be proposed by the usual form of initiative petition and shall be made only if it is approved by a majority of those voting on the question. All initiative petitions proposing such tax levies shall be legally filed with the county clerk not later than the first Monday in September, and shall be submitted to the people for approval or rejection at the



election to be held on the first Tuesday after the first Monday in November next after the filing of such petitions. The question as to each proposed levy shall be printed only on the ballots for use in the territory to which the proposed special tax levy applies. Special elections for that purpose may be ordered when there is no general election to be held on said first Tuesday, and in all cases the vote shall be taken at all the regular polling places. The laws governing special and regular elections in the submission of measures shall apply to such special tax-levy election. Every person qualified to vote for governor of the State shall be entitled to vote at any such tax election.

#### DISTRIBUTION OF REVENUE FROM LAND-RENT TAX.

(s) Two-thirds of the revenue obtained in each county from the land-rent tax levied in that county shall be divided among the different towns, cities, ports, and all other municipalities in the county, and between that county and the State, by allowing and paying to each the same proportion of this two-thirds that each received from the general tax levy of 1915. The above distribution of two-thirds of the revenue from said land-rent tax may be changed from time to time by law.

#### HOME MAKERS' LOAN FUND.

(t) The home makers' loan fund is hereby established in the State treasury. One-third of all revenue hereafter obtained from the State from said land rent tax, and all revenue hereafter obtained from the present inheritance tax rate, shall be deposited in the State treasury to the credit of that account. The amount of this fund may be increased in any manner and from any source that is now or may be hereafter provided or levied by law first approved by vote of the people. This fund shall be administered by the State land board. This fund shall be loaned to home makers, both in town and country, in amounts not exceeding two-thirds of the actual value of the land improvements they may make or have already made, on any lot or tract of land. Payment to the borrower of portions of such loan may be made at definite periods to be fixed by the board, as such improvements may progress. Every such loan shall be the first lien on the land and improvements, except taxes, and every such home and improvements shall be exempt from execution except only for State loans, and interest, taxes, and the purchase price.

One purpose of this section is to help persons with no capital but their labor and character to make homes and farms, but not more than \$1,500 shall be loaned for the making of one such home or farm. The board may limit the amount of such loan that any person may draw in any year. This fund is for loan to those who are now trying to develop farms and make homes, as well as to persons who begin hereafter.

If the sum total of all the property owned by any family shall exceed \$2,250 in value, then no part of such fund shall be loaned to any member of that family.

#### COST, INTEREST, AND TIME OF REPAYMENT.

(u) The average actual cost of making, securing, and administering said loans shall be estimated by the State land board, and a percentage sufficient to cover the same shall be deducted from every loan and charged to the borrower as the sum is advanced to him. The loans shall be secured by first mortgage on the improvements and the land. There shall be no interest on any such loan for the first five years, and thereafter the rate of interest shall not be greater than 6 per cent per annum. Every such loan may be made repayable by installments, but the final payment shall not in any case be more than 20 years from the date of the loan, unless such limitations shall be extended by law.

#### FORM AND PAYMENT OF STATE WARRANTS ON HOME MAKERS' LOAN FUND.

(v) The warrants drawn on the State treasury for said home makers' loan fund shall be designated as such; they shall be payable on demand in lawful money of the United States of America, shall not bear interest, and shall be at all times receivable by all tax collectors at their face value for one-third of all

land-rent taxes, and shall at all times be received by the State treasurer in payment of all amounts due the State for such loan fund account. Said warrants shall be issued in denominations of \$1, \$2, \$5, \$10, and \$20. Every such warrant, when received by the State treasurer, shall be canceled and shall not be reissued. Such warrants shall be preserved for five years after being canceled. The total amount of such loan fund warrants outstanding at one time shall never exceed two years income of said loan account as estimated by the State land board.

#### SELF-EXECUTING.

(w) This section is self-executing in all its provisions and paragraphs, and shall take effect and be in operation as to all assessments made after the 1st day of January next after its approval and adoption by the people of Oregon. The provisions of this section do not apply to any assessments or taxes made or levied before the 1st day of March next after its approval by the people. All provisions of this section relating to the home makers' loan fund because operative and effective on the 1st day of December next after approval of this section by the people.

(x) All provisions of the constitution and laws of Oregon in conflict with this section, or any part hereof, are hereby repealed in so far only as they conflict herewith. Any lettered paragraph of this section may be amended without resubmitting the entire section.

Mr. COOPER. Will the people vote on this amendment next November?

Mr. HOLDER. Yes, sir. They are conducting the campaign now.

With reference to the provisions in Mr. Crosser's bill, of course, I can not speak from a legal standpoint, not being a lawyer, but I do dare to read the Constitution occasionally. Fortunately the study of the Constitution by the common people is not prohibited as yet. I do not think that any man would have the temerity at any time to say that the principle contained in this proposition is an unconstitutional one. They might say that it was straining the Constitution, but in the preamble, under the "general welfare" clause, it would be admissible, and, in section 8, the Constitution says:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States.

So I rest my argument, from the constitutional standpoint, upon the "general welfare" clause. Many people felt as though the world was moving rapidly when only two days ago the Senator from South Carolina, Mr. Tillman, said publicly upon the floor of the Senate that the "general welfare" clause of the United States Constitution was broad enough and deep enough for the Congress of the United States to do anything for the people of the United States. That was a strong, sweeping statement, and evidence that we are certainly making some very rapid progress.

I think it has interested you to learn what the American Federation of Labor did at its annual convention about this proposition in Oregon, and I wanted to call your attention to this splendid document (U. S. Bulletin No. 158, issued by the Department of Labor), wherein you can find all the information you desire with reference to foreign countries.

Mr. CROSSER. You made reference to the fact that wages had been increased many times as the result of organization?

Mr. HOLDER. Yes, sir.

Mr. CROSSER. Under our present economic system does it not also happen that the things which labor must buy have increased in price many fold?

Mr. HOLDER. Yes, sir. Just at that point, Mr. Crosser, permit me to interrupt you in order to say this, because the world does not recognize it, and many of the critics of the organized-labor movement do not recognize it. Remember that the poor employee not protected by any labor organization who is working for one of the trustified corporations is still getting only the former wage rate of \$1.25 and \$1.50 a day, working 10, 11, or 12 hours per day, and has to pay the increased prices on all the necessities of life. Such a man has not received any increase in his wages, but the organized workman has received increased wages to meet the increase in his expenses. The world does not recognize that fact. Just imagine what wonderful financiering a man and his wife must do in this day and generation in order to manage to pull through and meet their expenses upon such a pitiable stipend as \$1.25 or \$1.50 per day, which the trusts I have enumerated are still paying their semiskilled and unskilled laborers.

Mr. CROSSER. I intended to call your attention to the fact that if the natural resources—in other words, the sources from which all wealth must come, including the compensation of labor—were not monopolized and were open, would not that prevent the unnatural increase of these things, and would not labor get its full return?

Mr. HOLDER. If the principle of your bill should be enacted into law, it would have this effect: It would enable the independent, self-reliant, resourceful workmen of the United States to work for themselves and not have to hunt around to find a boss to work for. The workers would then be able to get the full value of the product of their labor, which is really the dream of the ages, and which we are working steadily toward. It would prevent economic oppression; it would limit, maybe prevent, political chicanery; it would reestablish liberty; and it would make this Nation that which our forefathers dreamed of when they wrote the declaration of Mecklenburg and the Declaration of Independence. Is that an answer to your question?

Mr. CROSSER. Yes, sir.

Mr. COOPER. The only chance that anyone has in this great land of ours to-day, with very few exceptions, is to go into something for themselves?

Mr. HOLDER. Yes, sir; and the opportunities are constantly becoming fewer.

There is only one feature of this bill that I do not like. I would not want to get some land which would drive me away from my people and into the mountains or arid West.

Mr. BROWNE. How would you correct that?

Mr. HOLDER. I would use the power of the Government for the benefit of all the people instead of the power of the Government being used for a small part of the people, as in the past. I would make an investment of the United States funds in tracts of land that could be secured by reasonable compensation, secured at bargains, and then let the people of the United States in any State, in any community, have easy, helpful access to them.

Mr. CROSSER. The enactment of this bill would make that possible?

Mr. HOLDER. Yes, sir; but \$50,000,000 is not enough; it should be a

billion dollars, because all that money would come back to the people through the Government. It would be a way out, a safe, sane, practical business proposition.

In conclusion, gentlemen, and as replies to earlier questions you put to me, permit me to present three tables on wage statistics. I have prepared them with the idea of making them easily read and understood at a glance. That should always be the real, scientific ideal in the minds of statisticians. Unfortunately, however, the ordinary tables on wage statistics require columns of text to explain, and by the time that is read the tables become more confusing than ever.

The figures I present herewith only require this simple explanation. The first three columns of Table I are taken from the official data in the Thirteenth Census Reports.

The next three columns and the whole of Table II are my deductions. A mine of information is disclosed and represents the actual production and wages for all labor—organized and unorganized—in our manufacturing industries since 1850.

Table III represents the wonderful worth and value of trade unions to the workers of our land. Make your own comparisons; form your own judgments.

TABLE I.—*Abstract and analysis of census statistics on manufactures.*

Year.	Average number of wage earners. <sup>1</sup>	Total annual wages. <sup>1</sup>	Total annual value of products. <sup>1</sup>	Average per capita production. <sup>2</sup>	Average annual wage. <sup>2</sup>	Per cent of product paid in wages. <sup>2</sup>
1850.....	957,059	\$236,755,464	\$1,019,106,616	\$1,064	\$247	23.21
1900.....	4,712,763	2,008,361,000	11,406,927,000	2,420	426	17.60
1905.....	5,468,383	2,610,445,000	14,793,903,000	2,705	477	17.63
1910.....	6,615,046	3,427,038,000	20,672,052,000	3,125	518	16.57

<sup>1</sup> Data obtained from pages 4 and 5, Bulletin on Manufactures, Thirteenth Census, United States, 1910, issued by the U. S. Bureau of the Census.

<sup>2</sup> Analysis of census data by Arthur E. Holder.

TABLE II.—*Analysis of census statistics on manufactures, demonstrating that wages fail to increase in same degree as production increases.*

INCREASE IN PRODUCTION.		INCREASE IN WAGES.	
Per capita increase in production:	Per cent.	Per capita increase in wages:	Per cent.
In 50 years, from 1850 to 1900----	127	In 50 years, from 1850 to 1900----	72
In 55 years, from 1850 to 1905----	154	In 55 years, from 1850 to 1905----	98
In 60 years, from 1850 to 1910----	193	In 60 years, from 1850 to 1910----	100

TABLE III.—*ECONOMIC GAINS THROUGH TRADE-UNIONISM, ARRANGED BY INDUSTRIAL GROUPS.*

#### BAKERY AND CONFECTIONERY WORKERS.

Before organization the hours for these workers ranged from 10 to 18 per day and wages from \$1 to \$1.50 per day.

Since organization hours have been reduced to 9 and 8 per day and wages have been increased, so that they now get a minimum of \$2.40 for "second and third hands" and \$3.60 and over for "first hands."

#### BRICKLAYERS, STONEMASONS, AND PLASTERERS.

Before organization the hours for these workers ranged from 10 or more per day and wages from \$2 to \$3 per day.

Since organization hours have been reduced to 8 per day and in many places 44 per week and wages have been increased, so that they now get from \$4 to \$7 per day in the different localities.

**BLACKSMITHS, BOILER MAKERS, MACHINISTS, MOLDERS, PATTERN MAKERS, AND OTHER METAL WORKERS.**

Before organization the hours for these workers ranged from 10 or more per day with no increased rates for overtime. Wages ranged from \$1.50 to \$3.

Since organization hours have been reduced to 9 and 8 per day and wages have been increased, so that they now get from \$2.50 to \$8 and over per day.

**BOOKBINDERS, COMPOSITORS, ELECTROTYPERS, PRESSMEN, LITHOGRAPHERS, AND OTHER PRINTING TRADESMEN.**

Before organization the hours for these workers ranged from 10 or more per day and wages from \$1 to \$3 per day.

Since organization hours have been reduced to 8 and 7 per day and wages have been increased, so that they now get \$2.50 to \$5.50 per day.

**BREWERY WORKMEN.**

Before organization the hours for these workers ranged from 10 to 14 per day and wages from \$1.50 to \$2.50 per day.

Since organization hours have been reduced to 9 and 8 per day and wages have increased, so that they now get from \$2.50 to \$5.50 per day.

**BRIDGE AND STRUCTURAL-IRON WORKERS, GRANITE CUTTERS, STONECUTTERS, ELECTRICAL WORKERS, CEMENT WORKERS, CARPENTERS, PLUMBERS, MARBLE SETTERS, SHEET-METAL WORKERS, STEAM FITTERS, PAINTERS, AND OTHER BUILDING TRADES.**

Before organization the hours for these workers ranged from 10 or more per day and wages from \$1.50 to \$3 per day.

Since organization hours have been reduced to 8 per day, and in many localities to 44 per week, and wages have been increased, so that they now get from \$3.50 to \$6.50 per day.

**CIGAR MAKERS.**

Before organization the hours of cigar makers were unlimited, frequently amounting to 16 and 18 hours per day. Cigars were made in tenements, prisons, and under all kinds of insanitary surroundings. Wages were pitifully low, from 50 cents to \$1.80 per day.

Since organization hours have been reduced to 8 per day. Shops have been made clean and sanitary. Working conditions have been humanized. The general health of the workers has been greatly improved. Tuberculosis has been reduced over 75 per cent. Wages have been increased, so that the organized cigar makers can now earn from \$2.50 to \$7.50 per 8-hour day.

**ENGINEERS AND CONDUCTORS ON RAILROADS.**

Before organization the hours for these workers were unlimited and wages ranged from \$2 to \$3 per day.

Since organization 100 miles or 10 hours has been made the day's service and wages have been increased, so that they now get from \$3.80 to \$7 per day's work.

**RAILROAD FIREMEN, TRAINMEN, AND SWITCHMEN.**

Before organization the hours for these workers were unlimited and wages ranged from \$1.50 per day to \$60 per month.

Since organization 100 miles or 10 hours has been made the day's service and wages have been increased, so that they now get from \$2.45 to \$4 per day.

**TELEGRAPHERS, RAILROAD AND COMMERCIAL.**

Before organization the hours for these workers were unlimited; they worked 365 days per year for wages as low as \$15 per month, rarely ever reaching \$60 per month.

Since organization hours have been reduced to 9 and 8 per day, with a weekly rest day, and wages have been increased, so that they now get from \$55 to \$150 per month.

**GARMENT WORKERS AND OTHER NEEDLE TRADES.**

Before organization these workers were "sweated" and impoverished in the most brutal manner.

Since organization their hours have been reduced to 9 and 8 per day, "sweat-shops" have been largely eliminated, and clean, healthy, sanitary workshops have been provided; they are now able to earn by piecework rates controlled by their organizations from \$1.50 for the lower-grade operations to \$6 and more per day for cutters and designers.

**STREET RAILWAY EMPLOYEES.**

Before organization, the wages for these workers ranged from \$1.25 to \$1.75 per day for a 12-hour day and over.

Since organization, hours have been reduced to 10 and 9 per day and wages have been increased so that they now get from \$1.80 to \$3.50 per day.

**MINE WORKERS—COAL AND METALLIFEROUS.**

Before organization, the hours for these workers were unlimited and wages ranged from nothing to possibly \$2 per day in a few rare instances. History has recorded the fact that many unorganized coal miners have died in debt to their employers, which debt was left as a legacy for their children to cancel by hard toil and deprivation, and, of course, all were subjected to many deprivations of liberty which we all consider inherent to the rights of man.

Since organization, hours have been reduced to 8 per day, and the minimum wage has been set at \$2.88 per day for coal and \$3.50 per day for metalliferous miners, and the earning power of organized miners on high-price rates per ton for digging permits them to earn as high as \$5 and over per day, according to the vein of coal or material in which they are working. Organized mine workers in all communities are now rated as high-grade citizens, whereas before they were organized they were universally ignored or mistreated.

**SEMISKILLED AND UNSKILLED LABOR—HOD CARRIERS, MUNICIPAL EMPLOYEES, BUILDING LABORERS, SECTION HANDS, FACTORY HELP, MIGRATORY WORKERS, TEAMSTERS, ETC.**

Before organization, this large class of semiskilled and unskilled labor worked from 10 hours per day up to whatever satisfied the whims of their employers and wages ranged from 75 cents to \$1.50 per day.

Since organization, hours have been reduced to 9 and 8 per day in hundreds of localities and wages have been increased so that they now get wages varying from \$1.50 to \$3 per day for unskilled labor. Hod carriers, teamsters, rock drillers, and many others with special training get as much as \$4 and more per day of 8 hours.

I am very much obliged to you gentlemen, for the opportunity of appearing before your committee.

(Thereupon the committee adjourned to meet Thursday, June 1, 1916, at 10.30 o'clock a. m.)

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COMMITTEE ON LABOR,  
HOUSE OF REPRESENTATIVES,  
*Monday, June 5, 1916.*

The committee this day met, Hon. Edward Keating presiding.

**STATEMENT OF DR. FREDERIC C. HOWE, COMMISSIONER OF IMMIGRATION, PORT OF NEW YORK.**

Mr. Howe. I am here to speak for the Crosser bill, whose purpose is to promote small agricultural holdings by the advance of public funds to persons desiring to become farmers; the fund to be repaid in periodic installments and to be used for further development work

as a rotary fund. I understand that this bill provides for the retention of the title of the land by the Government and for the annual collection of ground rents for its use, from which all local, State, and other taxes shall be paid.

I believe strongly in the purposes and principle of this bill. I believe in it as a means of encouraging agriculture and of solving the surplus-labor problem as well. It looks to governmental aid in the promotion of agriculture and opens up opportunities for men who desire to become farmers and have not the capital to do so.

This is a subject that has been brought to my attention very frequently during the last few years, as Commissioner of Immigration at the port of New York.

A large number of men owning large tracts of land have come to me with plans for making settlements, and in connection with that I have investigated the working activities of the Hebrew societies for the placing of people on the land, and I have to some extent studied the system in vogue in European countries.

I have come to the conclusion that agriculture is to be an increasingly diminishing pursuit in the United States unless the Government gives it something of the same sort of intensive thought and assistance that is given to other lines of industry. Society has changed so much that men prefer to live in the cities rather than in the country. In addition to that, industrial conditions, control of credit, transportation, and marketing by a few agencies has made it very difficult for the farmer to make a living. Modern society has really run away from the farmer and left him one of the most helpless—possibly the most helpless—individuals, with the exception of laborers, under modern industrial conditions.

In discussing the general project I have become convinced that several things are necessary in the working out of a real agricultural program in the United States. The first is cheap land. As it is now, land is held at speculative prices all over the United States. The Hebrew societies find that as soon as they locate a few people on privately owned land immediately all the land in that community begins to rise; it reaches such a prohibitive price that they have to move to some place else. The average farmer assumes that the highest price paid for any land in the colony is the price that should be charged for all land in that community. Therefore, one of the first problems to be solved in an agricultural program is the cheapening of the land in some way so as to make it available on easy terms.

Second. Credit is so costly for the farmer that it is almost impossible for him to overcome that difficulty. I found agricultural districts even in northern New York where they were paying 18 per cent for money, and in the West it ranges between 10 and 15 per cent. In other words, a man has to pay one-tenth of what he produces through a whole year's labor just to convert his produce from one form into another form merely for the right to place that which he has produced in the markets.

A third obstacle is the high cost of transportation; the difficulty of reaching the markets.

A fourth obstacle is inadequate market facilities. There is no co-operation; each farmer acts for himself and his losses are colossal.

Fifth, there is a psychological fact of very great importance, that a farmer lives in an isolated place, in a lonely place; there is nothing

there to make it attractive. A farmer does his work during six months of the year and the other six are idle months, during which time he has nothing to occupy his mind. School facilities are inadequate; recreation is inadequate, and the children want to go to the cities.

Sixth, is the high labor cost, and that is a factor in the agricultural question that is going to be increasingly important. Men go to the cities where they can get \$2, \$2.50, and \$3 a day, as unskilled laborers, 12 months in the year, rather than to go on a farm where they get \$20 a month and keep, and at the end of the season they are scrapped, turned adrift.

Those are some of the things which crowd men into the cities and keep them off the farms. Finally, tenancy is an impossible condition; successful agricultural communities are not found where tenancy has become the prevailing type of agriculture, because under such a system the landlord appropriates, in an increasing degree, the products of the farm. In Ireland they call it rack rent. That drove 4,000,000 people out of Ireland to the United States, and England found it necessary to organize agriculture in Ireland in order to prevent the depopulation of the country.

It is an interesting fact that immigration to the United States comes almost exclusively from those countries that have land monopoly rather than from those lands where they have peasant proprietorship. Wherever people have a stake in the land they stay on it; wherever they have a stake in the land and own their own land they work intensively on it. Wherever we have tenancy, on the other hand, as we have in the United States, we find careless cultivation, exhausting cultivation, and rents increasing just as rapidly as the output of the farm increases. It prevents the farmer from being a good farmer; prevents him from making any improvement and from putting manure on the land and making the farm as good as it could be made.

These are some of the obstacles which are militating against agriculture in the United States. I think it is going to be a decreasing industry, an industry that will drift into larger and larger units unless governmental aid is given to it of the most careful, scientific, and thoroughgoing sort. I am not sure but what it is one of the biggest problems for consideration in this country, namely, the working out of a thorough-going agricultural program that will put a man on the soil, that will finance him, that will market his produce, that will secure to him cheap and easy transportation agencies and that will do those things in a cooperative way. All of those things must be done in order that the farmer may have education, leisure, and all that civilization means to men in the twentieth century.

I particularly want to talk to you about what Denmark has done, what Germany has done, and what France has done.

First, as to France. The foundations in France are peasant proprietorship. The French Revolution cleaned up the old feudal system and divided the land into a great many holdings. Ten million people in France own a farm, it is said, or about one-half the population is directly identified with the soil through ownership. These farms are some of them small and some of them medium sized, but almost all of the land in France was split up into small holdings through the French Revolution. That was what the French Revolu-



tion taught to France. Other countries merely changed the constitutional form of government but the French people were wise enough and courageous enough to see that the reason they were in servitude, the reason for feudalism, and the reason why they were ruled by the aristocracy and grand seigniors was because the grand seigniors owned the land and, owning the land, they made them servants. The French were not content with abolishing their kings and getting rid of the control of the church, but they got rid of the foundations on which the whole political structure was reared, and entered upon a system of peasant proprietorship. And that made France, and it made France a democracy. As soon as that was done the French armies cleaned out Europe because the people were fighting for their own land. This made France, in substance, a democracy for 125 years. The real underlying fact about French politics is that all the time, in season or out, no matter what minister is in power, the men who own land in France are the ruling class. And the Government never gets away from that; it legislates all the time for the peasants. That is why privilege is not strong in France. That is why the agencies that are dominant in Germany, in England, in Austria-Hungary, and Russia, where they have the feudal land system, have never been able to rear their heads in France. That fact is the real explanation of the prosperity of France. They cultivate the soil intensively; they study agriculture; they cooperate together; they have great co-operative agencies there; they use their banks to aid the French farmers, and that accounts for the great success and great wealth of France. There is twice as much gold per capita in France as there is in England, because the farmers produce more themselves; they are thrifty and they get all they produce; they do not turn it over to the landlords.

An even more distinguished example of the necessity for the kind of legislation outlined in this bill and what can be done through such legislation is the little country of Denmark, to me one of the most interesting countries in the world. It is ruled by a king and by a parliament, but the king and the old feudal owners have only nominal power. It is the one country in the world that is governed by the peasants, whereas the peasants in other European countries, outside of France, Switzerland, and the Scandinavian countries, are beasts of burden, agricultural laborers, low in intelligence, and low in skill. The peasants of Denmark are the ruling class; they control the politics of the State, and they frame laws in their own interests. It is a peasant commonwealth, the most intelligent State in Europe. It has no illiteracy, education is universal, and, most important of all to me, they have abolished misery and pretty nearly abolished poverty. They have done this not by charity but by law. They have enacted laws which have made it easy for men to get land and hold land, and then market their produce after they produce it.

Fifty years ago Denmark lost Schleswig-Holstein to Germany. They were the richest parts of the country. The lands of Denmark prior to that time had been owned in great estates, and the people were downcast. Then they began to devise means for reclaiming Denmark and for making the country mean something to the people there. They were poor and illiterate, and the ruling classes at that time were the feudal aristocracy and the king. At that time they had a very reactionary king. Now here are some of the things that

have been done through peasant proprietorship: In the first place, 89 per cent of the farmers in Denmark are home-owning farmers, while only 11 per cent are tenants. In the United States the percentage of tenants on the farms, I believe, is 45 per cent, and each decade shows a marked increase in tenancy. Home ownership has given the Danish peasant, first, an interest in agriculture, and it has then given him an interest in politics and in all that politics means to him. It is through the home-owning peasants that the wealth of that country has increased by leaps and bounds in the last 35 years. Denmark is not a country of big estates, and it is the only country I know of in which the drift to the cities has been checked and where the people stay on the land gladly. Children succeed their parents in the management of the farms, because farming gives back to the producer everything that he produces.

The Industrial Commission made some investigations of tenancy in Texas, Iowa, and some other States, and the stories which the tenants told about their condition were like the stories told by the sweat-shop operatives of New York. It appears that the rents were increased as fast as they made the land productive, and many of them said that they were not able to produce enough by their labor and the labor of their families to feed themselves and clothe and send their children to school. Where tenancy supersedes home ownership, there we immediately get in a modified form the conditions that prevailed in Ireland, and there is no country in the world, except Belgium, where tenancy prevails that you do not have all of the evil conditions of the tenancy system which were exemplified in the highest form in Ireland, which led to famine and the depopulation of that country and which required drastic remedial legislation to reestablish agriculture there. They saw that in Denmark and immediately formulated plans to break the old feudal estates up into small holdings, and, as I said, to-day 89 per cent of the farmers there own their farms. Many of them are very small; they may be 1 acre in extent, 2 acres, or 4 acres, but the average farm contains less than 15 acres.

Now, having gotten the land into their own possession, the other things flowed from it naturally. Democracy came just as it did in France—that is, a real democracy, a democracy in legislation, a democracy in education, and, more than that, a democracy in the relationship of the people to one another. I have never been in a country in which the fear of to-morrow, the fear of being out of a job, and the fear of being foreclosed were absent, except in Denmark. All of those fears that beset the people in other countries have been banished from that country. There is no great wealth there, no monopolies, and there are no colossal fortunes, but there is a widespread, universal prosperity that has banished fear and substituted in its place dignity and confidence, and everyone shares in the finest kind of educational, social, and cultural life that I have ever seen anywhere. All of that, to my mind, is again deducible back to the system of land ownership. The fact that the people own land and feel that their sons and daughters can get a piece of land if they want it has had this effect.

In 1906 the peasants said, "This has worked well for us, so, now, we will open it up to others." So they passed a law making an appropriation of \$10,000,000, I think; they created a commission and authorized that commission to lend to anyone who wanted to borrow

it and who was approved as to character, to cover nine-tenths of the cost of a farm and its improvements. They limited the amount of money that could be loaned to a man, and provided that he must furnish one-tenth of the cost as an assurance that he was serious in his purpose. Then the commission acquired large estates and divided them up into small holdings and sold them off to the workingmen or the younger sons of farmers who wanted to buy them. They were really grubstaked by the nation. They paid for the improvements and enabled them to start off with a ready-made farm. That law has been taken advantage of very widely, and millions of dollars have been advanced by the State, and thousands of men have been put back on the farms.

Now, that, again, has had a very remarkable effect industrially and psychologically. I went through the streets of Copenhagen with a young man from the university, and I asked him to take me to the tenement district or the worst district in the town. We walked around for several hours through parts of Copenhagen's tenement district, and the streets were filled with people. They were happy, laughing, well dressed, and well fed; and finally I said to him, "This is not the tenement district; this is no more than an apartment-house district; these people are not poor, they are not like Whitechapel people in London, or like the poor people in Liverpool; they are not like the people I have seen in Paris and Berlin." He said, "These are the poor people in Copenhagen."

I talked with the laboring men, and the laboring men control Copenhagen. They have their own educational system, and Copenhagen is one of the best governed and one of the most beautiful and intelligent cities in Europe. I did not know what was the explanation of this general well-being of the poorer classes, but the explanation given me at the university was this: I was told that the industrial workers and laborers were not afraid in Denmark, because they always have an alternative. If they do not like their boss, if they are getting low wages, or if their conditions are bad in any way, they feel that they can go out to the farms, and either work for some one else or get little farms of their own. In other words, there are automatic means of taking care of the labor surplus. Whenever wages fall the men drift back to the farms, or get little farms of their own, and their wages there, of course, depend upon the amount of wealth that they can produce. That, to my mind, explains the psychology of Denmark; it explains the absence of fear. Nobody is frightened there, and this has also resulted in increasing wages. The reason for that is quite obvious. It has changed the relationship between employer and employee. There are in effect 10 jobs for every 9 men, because the land has been opened up to them.

Now, growing out of the fact that the peasants own the land and that more than half of the people are farmers, they found it necessary to legislate for themselves. Therefore, they went forward and took possession of the government as against the old feudal aristocracy and the King. They elected their own men to Parliament. Then, those men who owned little pieces of land, in view of the fact that they were a majority of the people and that they all wanted the same thing, did not give any privileges away. They did not give any privileges away because they could not; they had to legislate for the majority, and in legislating for the majority they raised the standard

of living of everybody. They took over the railroads and ran them in the interest of the farmers. Some years ago the farmers said that the railroads were earning too much profit. They were earning only about 4 per cent, but they did not believe that the railroads should be operated so as to make a profit for the State. They wanted the profits cut down to the point of paying operating expenses, and they wanted the freight rates adjusted to meet the conditions under which the farmers shipped their products.

Denmark was the most unfertile region of Northern Europe. Yet, it feeds England in large part; it feeds her with bacon, eggs, and dairy products. Some of the highest class cattle in the world are in Denmark, and they ship dairy products all over the world. The farmers, then, took possession of the railroads and ran them in their own interests. Then they said, "We need the help that comes from education," and they passed a law to educate the farmers. In every one of the villages, certainly every month and probably every week, there is a man or woman who comes around and meets a class of women and a class of men. They teach the men all about farming, about how to run their dairies, about how to milk their cows, about how to feed their cows, about how to slaughter cattle, and how to use the manure, etc. They teach the women all about dairying, too, and instruct them in domestic science. They have traveling universities going all over the country all the time, all of it springing out of the fact that the farmers are the legislators and are thinking about themselves. Science has increased the price of Danish products. For instance, they standardize cows. They have found that one kind of cow produces more butter fat than any other kind, and they have found that a certain kind of hog was the best kind, and so on. The result is that per capita and per acre production of Denmark has been going up constantly ever since the farmers began to run the state in their own interest.

The University of Copenhagen sends out lecturers. There are more newspapers sold per capita in Denmark than in any other country in the world, and they say that a Danish peasant will go without breakfast rather than go without his paper. They will walk 10 miles if necessary to attend a political meeting. Certainly every Danish peasant that I met was full of politics and as full of talk about the State as you find with people here at Washington.

Now, through home ownership and control of politics, the farmer developed cooperation. In a State with a population of, I think, less than 3,000,000, there are 200,000 farmers who are members of cooperative societies. Pretty nearly all of the butter and milk are the products of cooperative dairies, and the slaughtering is done in cooperative slaughterhouses. Eggs are packed up on the farms every day, and the man who is back on the farm producing eggs has a man come every week to get the eggs. The eggs are shipped to Copenhagen where they are credited to the farmer back on the farm who produced them. The time or date of laying is stamped upon the eggs, and the eggs are classified and graded and shipped over to England. Danish eggs bring fancy prices because they are always fresh. If you pick up a Danish egg in England you will find that it is dated. If the egg is dated March 22 it means that the egg was laid on March 22. If the buyer of eggs in England com-

plains to the central office at Copenhagen that eggs from a certain circle bearing a certain date was bad the central office at Copenhagen charges those eggs up to the producer. The same thing is done in the case of butter and all other commodities that are sold through cooperative agencies. It is a cooperative community. They have cooperative hail insurance, farm insurance, cattle insurance, etc. They have their own cooperative banks and put their money in their own banks. They run railroads and own steamship lines running to Japan and New Orleans which bring in the feed for their cows. They have bacon-selling agencies which take the bacon from the producers and sell it, and all of the profits come back to the men who produced it. They have breeding associations which send experts out from Copenhagen to study everything and inform the farmers as to what kinds of things they should raise. They have high schools, the most wonderful high schools I have ever been in. Men save half their lives in order to be able to go to the high schools. Men of 40 or 50 years of age enter those schools for the joy of going to the peasants' high schools. They sing; have patriotic exercises; and they teach cooperation and agricultural chemistry; they teach how to run a farm; they have made business men out of the farmers. You feel, as soon as you get with a farmer, that you have found someone who understands his business fully. I would rather listen to a Danish farmer talk about his business than to listen to most people talk about books, just as I like to talk to a real baseball fan who knows his game and knows his players. The Danish farmer is to agriculture what a baseball fan is to baseball.

That little State has been reclaimed from a sand dune, from a monarchy and a country which was ruled in the interest of the great landowners, to a democratic Commonwealth, through a system of land purchase and cheap credit. They get 4 per cent money there and are allowed 50 years in which to pay it. Men are given land on terms which they can meet, and what a farmer produces is his. In addition to that they live in villages rather than on isolated farms, and in that way they have community life. There they have kept the people on the farms; they have increased the productivity of the soil; they have made the farmers rich; they have made them intelligent; and have reclaimed agriculture and placed it in harmony with modern industrial life.

Within the last 20 years Germany has realized that she must substitute peasant proprietorship for landlordism. Germany is divided into three parts—there is western Germany, southern Germany, and eastern Germany. Southern Germany includes Bavaria, Wurtemberg, and the country along the Rhine. That section of Germany was influenced by the French Revolution, and they split all of that country into peasant proprietorship. Southern Germany is democratic, because the people own the land. Prussia, on the other hand, is feudal and aristocratic, and there is where the junkers live, because they still have the land divided into great estates. But Germany has realized that, and within the last few years has worked out a plan for splitting up estates and putting them in the hands of the people. The statistical yearbook of Germany states that within the last 25 years 300,000 new farms have been made, 300,000 people have been put on the land. In my opinion that is a mistake, because they

changed their system of statistics about 20 years ago with the desire of showing that the land of Germany was not really owned by the junkers. But I do know that thousands of people have been put on the land by political action. They took great stretches of land in the north of Prussia, which was waste land, and reclaimed them and put tens of thousands of people on those waste lands.

They have done very much to encourage agriculture through scientific methods. Germany's agricultural system is largely modified by the fact that Germany owns great stretches of agricultural lands which came down from feudal times. Frankfort, for example, owns half as much land as the city is built on; the city of Berlin owns three times as much land as it is built on; they own great stretches of land roundabout. This land is allotted to people inside the city who cultivate it, and in the smaller towns it frequently rotates. There are a number of cities in Germany which own so much land that they pay no taxes. There are a number of them that not only pay all their taxes out of the land, but they give a New Year's present every year to every citizen. There are a number of south German cities in which there is no poverty whatever. The Germans will all admit that it is traceable to the system of land tenure which prevails and to the fact that the community has placed people on the land, watched them, helped them, aided them, and performed those things for the farmer that we perform in this country for business.

In Switzerland similar conditions prevail. There the land is divided up into small holdings. The democracy of Switzerland and the prosperity of the people is traceable to the fact that the people in Switzerland own little bits of land. Australia and New Zealand have worked out agricultural policies. In Canada they have developed what they call ready-made farms, which are farms ready for occupancy, with houses on them, and so on.

All over the world nations are turning to agriculture in the belief that it is necessary to completely change our old method of procedure, a procedure under which it is found impossible to get a farm because land values are so high, because credit is oppressive, transportation is not adjusted to them, and because there is no recreation and pleasure in life on the farm.

As I understand it, this bill looks to the solution of all those questions. It provides for agriculture as a unified thing; it provides for putting the worker on the land by cheap credit; it provides for a rotating fund; it provides for relieving the farmer of fear of foreclosure and the utilization of the various agencies of the Government for educational purposes. It looks to the farming village rather than to agricultural disbursement. I think that a measure like this is necessary in order to improve agriculture in the United States. As it is, we are drifting into tenancy and land monopoly and careless cultivation. We have got to get the people back to the land on fair terms, and once there we have got to provide them with those agencies which make life livable, bearable, and attractive. In other words, we must treat agriculture with as much intelligence as we treat the science of city government and town planning.

Mr. CROSSER. During my absence I wonder whether you have discussed what, in your opinion, is the best method of preventing speculation in land matters. That is one of the features in this bill.

Mr. HOWE. Yes; it is.

Mr. KEATING. This bill, as I understand it, retains the title in the Government?

Mr. HOWE. I think the world is all turning to the taxation of land values, not only as a just and proper system of taxation, but as a means of preventing speculation and compelling people who own land to use it. Of course, there is land enough in the United States to feed and furnish homes not only for a hundred million people but a thousand million people. If we taxed the land so that it was only held for use and so that men could not speculate in it we would have accessible land and cheap land. We would prevent speculation because it would be too costly to hold land under those circumstances. As I see it, the world is turning to the taxation of land values, and I was greatly interested to find in North Dakota last March that the farmers there have organized a nonpartisan alliance which is advocating the untaxing of all farm improvements and taxing land values alone, because they find they are being discriminated against by the laws of assessment. They have done that throughout western Canada and they have found the result to be very beneficial.

I think that the Government ought to hold on to every foot of land it has. The Prussian ministry of the interior has sent out repeated bulletins all over Germany and made that the policy of Germany, that they are not to sell a foot of land but are to buy land. They are buying land all the time in great quantities; cities have increased their land holdings sometimes a thousand fold and pretty nearly all of the cities own great stretches of land. They rarely sell it; when they do sell it they sell it for the purpose of speculation and buying a great lot of other land. They may sell suburban land at \$1,000 an acre and then take that money and invest it in other land at \$100 an acre. But they rarely decrease their holdings.

Mr. SUMNERS. Speaking of what has been done in Denmark, I have wondered whether what has been done is the result of general appreciation on the part of the people of the nation that the condition of the farming class needed improvement, or whether the agricultural people were of such strength that they brought about this change. Do I make myself clear? I want to know whether it is the Nation that has done this or whether it was the agricultural people who brought about this condition.

Mr. HOWE. I think both of those things are true. The Danes are Teutons just like the Germans, and the Germans have been drifting to the cities; 68 per cent of the people in Germany live in cities now, but there they have not brought about the same conditions. I do not think the great agricultural movement in Denmark is traceable to the people so much as it is traceable to the fact that their whole economic interests is in the land that they own.

Mr. SUMNERS. Did the statesman of Denmark take up the matter and bring about this conditions or were the agricultural people of such strength, even though they lived under adverse conditions, as to force this reformation themselves?

Mr. HOWE. It was a slow process, although not relatively so, because this all took place in 50 years. But they began—

Mr. SUMNERS (interposing). Who did that?

Mr. HOWE. Bishop Gundweg started it, and then they got together in the schools and talked things over.

Mr. SUMNERS. Who led in this?

Mr. HOWE. This bishop started it.

Mr. SUMNERS. I was trying to find out whether the people themselves were able to bring about this reformation or whether they had to have real statesmen who started it and brought it about.

Mr. HOWE. Both. The men really in power did not do it at first, but they were crowded out by peasants coming into office.

Mr. SUMNERS. In the case of these large estates in Europe, are they reduced to small holdings through any graduated system of taxation that makes it unprofitable to hold big estates, or do the people who buy them go into the market and pay the ordinary current value of the lands?

Mr. HOWE. There were some dark sides to it. As soon as they passed this law in Denmark appropriating State funds for the purchase of land the landlords in Denmark immediately raised the price of their land, just as the people raised the price of land. One thing that has militated all the time against the success of the experiment in Denmark and against the farmers is that everything the State does for farming increases the value of land, and when the State turns around and wants to buy land it has to pay too much for it.

Mr. SUMNERS. Have any of the Governments of Europe favored the holdings of the small home owner or home occupier as against the owners of large estates?

Mr. HOWE. I do not know whether I understand that.

Mr. SUMNERS. Well, here is a country where one man owns 10,000 acres of land, and there are many men who own, say, 15 acres apiece. Is there any advantage given to the small owners in the way of taxation for the purpose of encouraging small ownership?

Mr. HOWE. That is another thing that goes to the heart of the thing in Denmark. The small owners in Denmark are fighting to readjust taxation, which now does discriminate against the small owners. The personal income tax militates against the small owner, and these small owners have organized into a great federation of 100,000 members. They say, "We want a tax wholly upon land; we want to take the taxes off the improvements and have these taxes levied wholly upon the land, because," they say, "we have to pay more than our share per acre, for the reason that we produce more per acre." They say, "We want to tax the big owner as much as the little owner, irrespective of how much he makes off the land."

Mr. SUMNERS. Do any countries impose a tax upon absentee landlordism?

Mr. HOWE. I do not know.

Mr. SUMNERS. Have you thought about it?

Mr. HOWE. I never heard of it.

Mr. SUMNERS. Have you thought about the wisdom of it?

Mr. HOWE. Personally, I think it would be a good thing to do. I think when a man owns land and lives somewhere else he should be taxed for it.

Mr. SUMNERS. Of course, in this country you would be dealing with a vast territory and a mixture of races. You would be dealing with a situation where there would not be much community spirit. Do you think the Federal Government could deal with it as effectively as the States?



Mr. HOWE. Where the General Government owns the land, it could.

Mr. SUMNERS. I am not talking about the land that the Federal Government happens to own now; but I do not hesitate to say to you that, in so far as this scheme is concerned, except in those sections of the country which might be brought into cultivation through irrigation, I do not believe that any general aid could come from the adoption of this bill. Of course it might blaze the way. Take, for instance, the State of Texas; the Federal Government owns no land there; the schools own some land, but none of the lands owned by the schools would be suitable for community settlement.

Mr. HOWE. I think a demonstration of this kind by the Federal Government would be of value. I think the Federal Government is in a position to make a demonstration of this; and if it should make a demonstration of it, by the use of the postal funds or immigration funds, throughout the country, and learn through experience with this demonstration just what we could do, this demonstration would be immediately copied by the States, because they would see the value of it. The States want people, and the way to get people is to make it easy for the people to make a living. If the Federal Government should make this demonstration throughout the country, in the East, South, West, and elsewhere, the States, seeing the advantage of it, would immediately copy it. I think the Federal Government, with its different agencies—the Agricultural Department, the Interior Department, and Department of Labor—all of them covering the country as a whole, is in a good position to carry it out.

I notice that the bill provides that the title to the land shall always remain in the United States, and that in lieu of other taxes there shall be an annual tax collected on the value of the land itself, which is not dissimilar to the method employed by private owners in New York and other cities, except that in this case the Government enjoys all the increasing value, while under the present conditions this New York land is owned by the Astors and others, and the ground rent collected and kept by them.

I think retention of ownership by the Government and the taxation of only the land is one of the most important features of the bill. It would, in my opinion, add a great stimulus to the making of improvements, because the land only would pay the tax, and it would enable the community to not only control its development but to enjoy the increasing value which would come from the community's growth.

(Thereupon, at 12.20 o'clock p. m., the committee adjourned.)

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COMMITTEE ON LABOR,  
HOUSE OF REPRESENTATIVES,  
*Thursday, June 15, 1916.*

The committee this day met, Hon. David J. Lewis (chairman) presiding.

The CHAIRMAN. Before Mr. Post is formally introduced to the committee the Chair wishes to read a statement from Daniel Webster, which the Chair feels is ominously applicable to all these subjects:

For my part, although I like the investigation of particular questions, I give up what is called "the science of political economy." There is no such science. There are no rules on these subjects so fixed and invariable that their aggre-

gate constitutes a science. I have recently run over 20 volumes, from Adam Smith to Prof. Dew, and from the whole, if I were to pick out with one hand all the mere truisms and with the other all the doubtful propositions little would be left.

I do not know whether the quotation is familiar to the Assistant Secretary of Labor or not.

Mr. Post. I am not familiar with that quotation, but I am familiar with the idea. I am very much in sympathy with what Mr. Webster alludes to in that quotation, but I am rather inclined to think that we might lay down one principle that is invariable and from which we might draw all politico-economic conclusions that are necessary and that is this: If human work should stop, human society would disappear. Starting from that hypothesis, which I do not think anybody can say is untrue, we can evolve a pretty complete science of political economy. The trouble is that the gentlemen to whom Mr. Webster refers never did that.

The CHAIRMAN. Would not that be what Mr. Webster had in mind as one of the mere truisms?

Mr. Post. Well, a truism is scientific. Science has got to be built on truisms, truisms in the true sense. Of course I do not mean mystical truisms, but truths of human experience and observation.

The CHAIRMAN. You may proceed, Mr. Post.

#### STATEMENT OF MR. LOUIS F. POST, ASSISTANT SECRETARY DEPARTMENT OF LABOR.

Mr. Post. Mr. Chairman, I was asked by Congressman Crosser to examine this bill in order to testify with regard to it, and I have done so. I do not know what your procedure is, but if there are any suggestions to be made as to how I shall proceed I shall be glad to have them.

The CHAIRMAN. Just proceed in your own way, sir.

Mr. Post. The bill, as I find it, is in the special interest of wage earners. That accounts, I should say, for the administrative emphasis that is placed upon the Secretary of Labor and the Department of Labor, and properly so, as it seems to me. It is in the general interest, too, but it is especially in the interest of the wage earners of the United States, and that is what makes it particularly appropriate that this committee should consider it and makes it particularly appropriate that the Secretary of Labor should be the directing force in the execution of the law, if it becomes a law.

Of course, I am aware of the prejudice against class legislation, as it is called whenever anything in the interest of wage earners comes before a legislative body. It is business legislation and not class legislation when it is opposed to wage earners' interests. I have no hesitancy in speaking of the wage-earning interests. The wage-earning interests, if we merely take the census, cover over one-third of the population of the United States, and if you take into account the families of wage earners you have more than one-half of the population of the United States as distinctly representing wage-earning interests, and no doubt much more could be added to that.

Those interests never had any Executive representation until a little more than three years ago. They began to ask for representation at the President's Cabinet table as long ago as 1865. I am told

by old labor-organization men that in 1865 a convention or conference—the first after the war, one at which soldiers from both sides were in attendance—was held at Louisville, Ky., and at that convention a distinct demand was made for a Department of Labor in the United States, an executive Department of Labor with a Secretary of Cabinet status at its head, so that the labor interests of the United States—the wage-earning interests—might be represented at the Cabinet table of the President and through the President be represented to Congress. Long agitation resulted in the creation of what is now the Bureau of Labor Statistics, a branch of the Department of Labor. It was an independent bureau then, but without a head of Cabinet status. After some 10 years or more of further agitation the double-headed Department of Commerce and Labor was created. That was really a business department and always had a business man at the head of it or a business man's lawyer. It was in the interest of commerce and labor, but very little attention was paid to labor itself.

After some 10 years more of agitation came the creation of that department which had been asked for by the wage-earning convention of fifty-odd years ago, the Department of Labor, the purpose of which is definitely declared. Perhaps I had better quote it literally. In the organic act of the department it is provided that its purpose shall be "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." I do not know who put in that adjective, but whoever did it must have known exactly what he was about, or else he didn't know at all what he was about. I refer to the phrase "that employment shall be profitable." As you know, there is no lack of employment at any time in the United States. I am willing to be a big employer myself at any moment. I could employ thousands of men. But it would not be profitable to them, although it might be profitable to me. So there was good sense in putting in the word "profitable."

Under that law the Department of Labor was organized. On the 4th of March, 1913, Mr. Taft signed the bill in the last few minutes of his administration, and Mr. Wilson appointed the first Secretary of Labor within a few minutes after taking the oath of office. Among other things, this department was to look after the mediation of labor disputes; and that part of its work, it seems to me, it has carried out with great ability and skill. A very good accomplishment has been made in the adjustment of labor disputes by the Secretary and the conciliators that he has employed. At first the employing interests were disposed to be prejudiced against a labor-union man at the head of the department. They seemed to think that the idea was arbitration when, as matter of fact, it was not arbitration but mediation, which is negotiation. I think that now, however, a good deal of confidence has been established on all sides, so that the settlement of labor disputes is in a fair way to become universal under the Department of Labor. I merely mention that incidentally.

Another feature was that of employment, finding opportunities of employment and providing employment for the wage earners of the United States. The Secretary reported in 1915 quite fully on this subject and stated the progress he had made. I simply refer, without quoting, to his mediation work from page 7 to page 32 of his

report of 1915, and on labor distribution, finding existing opportunities for employment, from page 32 to page 41. Those two points may not seem particularly appropriate to this bill, and I only state them as a background for indicating the propriety of having the Department of Labor undertake what is proposed by this bill in order that the interests of the wage earners may be especially considered in connection with it by this committee, as well as the public interests with respect to the public domain.

I would like to insert, if it has not yet been inserted, that part of the Secretary's report which deals with this particular question, and on the basis of which, I suppose, the Crosser bill was prepared, because the Crosser bill does seem to me to carry all the general purposes indicated by the Secretary of Labor in his report of 1915. I refer to pages 41 to 43, inclusive, under the title of "Making new opportunities for employment." Has that gone into the record? If it has there is no necessity of repeating it, but if it has not I would like to have it inserted verbatim.

Mr. CROSSER. I think I read a part of it into the record.

Mr. POST. If it is already in the record there is no necessity for having it reinserted. However, I will insert it here, with your permission, for purposes of reference:

*Making new opportunities for employment.*—It will not be enough to hunt "manless jobs" for "jobless men." Any efficient public employment service of a national character must go beyond that. Unless it does, "manless jobs" giving out while "jobless men" remain, the causes of involuntary unemployment will continue to express themselves to the great prejudice of the wage-workers of the United States and consequently to the harm of all industrial interests. In my opinion, therefore, the labor-distribution work of this department should extend to some such development of the natural resources of this country as will tend to make opportunities for workers greater than demands for work and to keep them so.

For this purpose further legislation will be necessary. But it need not be either voluminous or revolutionary. Nothing more is required than a judicious utilization of Government lands.

Title to some of the old public domain still remains in the Government. By a recent decision of the Supreme Court Congress is soon to have the power, and to be under an obligation, to treat with land-grant railroads regarding the terms on which large areas of that domain heretofore granted away may be restored. There are extensive areas of privately owned but unused farming land in most or all of the States, which might be acquired by the General Government for promoting labor opportunities as advantageously as other areas have been acquired or retained by it for the creation of public parks. If Congress were to adopt, with reference to those lands, a policy of utilizing them for promoting opportunities for employment, the benefits of the labor-distribution work of this department, and of State and municipal public employment offices throughout the United States, would be vastly augmented.

For such a policy the homestead laws seem to afford a legislative basis and their history to furnish valuable suggestions. Those laws relieved the industrial congestions of their day by opening the West to workers of pioneering spirit who set up individual homes and created independent farms in waste places. But the day of the individual pioneer is over. From the Atlantic he has moved westward until the Pacific throws him back again into crowded spaces, and new forms of industrial congestion have consequently developed. To the relief of these, the old form of homesteading is not adapted; but the homesteading principle persists. The problem is how to adapt that principle to changed circumstances.

One necessary condition is that the General Government shall retain title to the public lands it already holds. Another condition is that from time to time it shall reacquire title to such lands formerly owned by it but now privately owned, as are held out of use and may be reacquired upon reasonable terms. Still another condition is that the Government from time to time

shall acquire title to such privately owned lands in different States as may be usefully devoted to the purpose of opening opportunities for employment. All this need not be done at once. A satisfactory beginning may be made with public lands already available for the purpose in question. But it is necessary that the Government shall not lightly divest itself of title to any lands it may set aside for labor opportunities. Regulation of private tenures created pursuant to this purpose should fit the circumstances of particular cases. It is therefore suggested that private titles to lands set aside for the indicated purpose be so adjusted by the Department of Labor to its work of labor distribution as to prevent inflation of land values. This precaution is of extreme importance. Wherever inflation of land values might enter in, the proposed method of promoting labor distribution would be obstructed.

There is still another essential condition. Equipment for farming and education in farming, as well as a place for farming, are needed. All three, however, could be met by an appropriate unification of some of the activities of the Departments of the Interior, of Agriculture, and of Labor. Pursuant to such unification, Congress might provide a "rotary fund" for lending purposes; that is, a fund to be used over and over again for those purposes, and to be maintained by repayments of loans. Out of this fund Congress could authorize the departments named above to make loans, through the Department of Labor, to settlers placed by this department upon lands set aside for that purpose in accordance with the authorized plan for thus augmenting labor opportunities. Those loans could be safeguarded, without commercial collateral, by resting them upon the best possible basis of industrial credit—ability, opportunity, and character—and by establishing in connection with them a system of community credits adapted to the circumstances.

By their educational processes the Departments of the Interior and of Agriculture could make efficient farmers of inexperienced but otherwise competent workers seeking that vocation. By its marketing plans the Department of Agriculture could guard borrowers from the "rotary fund" against commercial misfortune in disposing of their crops. By its labor-distribution functions the Department of Labor could bring the right men to the right places on the soil and settle them there under favorable circumstances. And by their several appropriate functions these three departments, cooperating under appropriate legislation, could multiply demands for labor in rural regions and minimize labor congestion at industrial centers.

It is a reasonable prediction that such a policy would develop in country and city an economically independent and socially progressive population. The results would be analogous in our time to those of the homestead laws at an earlier period.

The Secretary of Labor very early came to the conclusion, if indeed he did not have it in mind before he undertook the work, that merely finding existing opportunities of employment was not going to progress very far in the adjustment of labor problems; that it would help this or that particular individual—which, of course, he was glad to do—but that it would not get very far, and so he makes certain suggestions that will require legislative action before he can do anything at all. He says, for instance—

The labor-distribution work of this department should extend to some such development of the natural resources of this country as will tend to make opportunities for workers greater than demands for work and to keep them so.

That is the policy that ought to be adopted, it seems to me, and it can only be adopted by congressional assistance.

Then he elaborates that point further along in his report, where he suggests that the homestead laws afford a legislative basis in their history, but only suggestively, because the homestead laws do not affect the real underlying purposes which have resulted from the use of the public lands of the United States—that is, to afford opportunities to the people of the United States to make their living by their own work instead of making it by the work of somebody else. So the suggestion is that it is the homestead principle

rather than the homestead laws. The homestead laws have been effective for the purposes existing at the time they were adopted, and they were good laws, but we have now reached a social condition where they operate the very reverse of what their authors really intended.

The Secretary goes on to give certain necessary conditions to carry out this proposition of the workingman making his own job, so that jobs will all the time be in excess of the supply of workers. He says:

One necessary condition is that the General Government shall retain title to the public lands it already holds.

I would like to say a word right there. Any legislation whatever that allows the public lands to get away from public control of some kind and to get into the hands of private owners will not only fail to help solve the employment problem but it will be an obstacle in the way of its solution. One of the difficulties about our present methods of disposing of public lands is that they get into private hands and, instead of serving the purposes of industry and affording opportunities for industry, they serve the purposes of exploitation and speculation.

I want to explain to you, just by way of illustration, how it works out. I have here the circular of a business concern engaged in farm colonizing; that is to say, engaged in doing for business reasons and on a business basis what I take it this bill aims to have done by the Government of the United States in cooperation with the States where that is possible. It seems to me this is a perfectly honest statement. It is an honest and fair recognition of conditions, and is an appeal to that selfishness which must be appealed to if the present method of placing people upon the land is continued instead of some such method as the Secretary suggests and for which this bill seems to be drawn. I am going to quote a line or two from this farm-colony prospectus of the Eagle River country, Wisconsin. It is an appeal to men to buy land, to wage earners to buy land in order to get an opportunity to make a living. The first paragraph states:

Here are three Sanborn easy ways of buying a piece of land while times are good and wages are high.

In another paragraph I find this:

Land values are jumping, too, and you can contract cheaper to-day than you can a year from now.

That may or may not be true; that is looking into the future; and I do not think they can look any further into the middle of next week than anybody else. But the circular goes on to say:

Take 40 acres of land which we list at \$1,000—

They list the mere opportunity at \$1,000, and the suggestion is that the values will jump and that those who buy the land will secure the benefit of the increase. Then they give liberal terms. They say:

We have 40-acre pieces as low as \$200 and as high as \$1,500; but, for example, we will take a \$1,000 forty.

Their plans follow:

Plan No. 1. \$1,000. Pay \$15 down and \$15 a month, without interest; or \$150 down and \$150 a year, without interest.

Observe that this is one of the good, honest, and legitimate business opportunities for men without land to get at it in order to use it. That is one proposition.

Plan No. 2, \$850. Pay down \$850, all cash; or \$200 cash and \$162.50 each year for four years, with interest at 6 per cent per annum on the deferred payments.

That is No. 2. Then another plan is:

Plan No. 3, \$1,250. Pay down \$250 cash and no further payments for three years, but taxes and interest at 6 per cent on deferred payments, and we will build you a small house.

That is contemplated by this bill, only instead of a private enterprise doing it the Government will do it. In addition they say, "We will build you a small house, clear two acres of land"—that is what this bill proposes to do—"give you a cow, 2 pigs, and 12 chickens; then you can commence to pay \$333.33 a year in three equal annual payments."

I call attention to that third plan because it shows there is a business tendency to give the settler a start. That is what this present company is aiming at. There is really nothing novel in the proposal of the Crosser bill to have this kind of colonizing done. But under the private plan I have mentioned here there must be a great deal of money paid, or the future must be mortgaged, in order to give a man the chance to get on the land.

Now, I want to read their comment, because here is the crux of the whole thing. As the Secretary of Labor points out, we must retain title in the Government or else the whole scheme will go by the board, because speculation will set in, values will be inflated, and the more successful the work under a bill of this kind the more certain it will be to fail, in consequence of the inflation of values which will make it more and more difficult to put men upon the land. The private circular comments in this way:

We believe that land values will double in the Eagle River country within the next five years.

Then they explain that—

Government reports show that the average value of farm lands in the United States has increased about \$5 an acre within the last year.

They say further:

Contract now and live on your land later.

And that is what the settler would live on, the increase in the value of the land. This circular says further:

Farm land, beef, pork, potatoes, and flour are increasing as fast as wages. Who gets the money, the man who works for others or the man who works for himself?

The circular does not answer the question; it is not necessary. We know what the answer is. It says further:

Prices are higher for grain and hogs and have made every landowner richer.

It adds:

Land values on the average have trebled in the life of a child 16 years of age.

That is substantially true, I take it. Then they ask a question. It is a question that this committee ought to consider, and I am glad

to be able to quote it from this business circular for the purpose of calling it to your attention. They ask this question, not of you, not of Congress, but of the man they hope to get interested in this enterprise:

What will the child born to-day have to pay for land when he is able to own property, when he is 21 years of age?

That is a pretty important question and it is because of such questions that some legislation of this kind is needed. What will the child of to-day have to pay for a chance to make a farm when he is 21 years of age? If the public land is allowed to slip out from under in the future, as it is slipping now, what will coming generations do for a place upon it?

The CHAIRMAN. Have you any information at hand as to the number of acres in private ownership and the number of acres still in the control of the United States?

Mr. POST. No; but I can get information as to the number of acres in public control. I will be glad to have the Bureau of Labor Statistics furnish definite statistics on any point involved.

Mr. LONDON. I think we have that data.

The CHAIRMAN. In the record?

Mr. LONDON. Yes; Mr. Marsh was asked this same question.

Mr. POST. I can get a special report from the Bureau of Labor Statistics.

The CHAIRMAN. I think it would be well to do that.

Mr. POST. Now, Mr. Chairman, I repeat that I call attention to this circular for the purpose of showing that out in the business world there is recognition of the very facts that we want this committee and Congress to recognize and which this bill asks them to recognize. I also call attention to that for the purpose of emphasizing what the Secretary of Labor says in his report, that it will be detrimental to any project for making jobs keep ahead of men if the Government allows title to public lands, used for that purpose, to go into the market under speculative conditions.

Turning now to the bill itself, I believe that it carries out the plan very well to open opportunities for employment so that the opportunities will constantly keep ahead of the demand for them. I think that would be the result if the general purposes of this bill become a law.

This is not merely an unemployment question. The bill does not mean merely that the unemployed man will be put on the land, which is the usual conception. It would mean that men who wanted to go on the land and who were competent to go there could be helped there. Men would be taken from any place; they would be taken from the stores, from the shops, from the factories, from the eastern farms, thus making places for the unemployed in the various industries that are now overcrowded. That would be one way of increasing jobs relative to the workers. Then the men who got upon the land would be needing transportation help, market help, and store help, and in that way they would increase opportunities for employment all over the country. Each one would contribute something and many of them would contribute a great deal. Then they themselves would want help, either in the way of cooperators, partners, or employees, thus making a new demand for labor, and the tendency would be to keep on.



Do not imagine that I think for one moment that this bill or the Secretary's suggestion would solve the employment question. Not by any means. It does not go deep enough for that. It is superficial. Not in its effect, but in its application, because the limitations of public opinion and of legislative bodies necessitate procedure by superficial methods. I believe that in the matter of mining you proceed superficially, that you lay off top surface first. That is what this bill, as I take it, aims to do, although, perhaps, it touches more than the top surface. It would create a tendency to increase demands for workers.

And it is to be borne in mind that while the bill mentions agriculture, farm reserves, etc., they are not the only ways of using land. There are other ways of using land besides farming. When we say that men should get back to the land it is often understood to mean that men have to go three or four thousand miles to get back to the land. People are inclined to forget that a city lot is land, that a mine is land, that water-power sites are land, and that the whole terrestrial globe is land. They are somewhat like the little girl who took first prize in geography at school, but was surprised to find that her father's front yard was a part of the earth's surface. The idea of putting people upon the land would mean to put them upon the land for any purpose to which the land could be applied.

So under the Secretary's idea and under this bill you would have mining-land opportunities, forest opportunities, a combination of forest and farm opportunities, a combination of mine and farm opportunities, and it might be grazing, too, in combination with the others, and, of course, the combination of residential places, because the bill contemplates colonization, contemplates the planning of social centers in the farming, forest, and mining regions. In all these places we would be creating a better situation from what the present homestead laws create. Under those laws the people go and take the land helter-skelter; they may gamble for it, they may buy it, or they may have somebody try to preempt it for them. But there is no planning, there is no community development, no adjustment of the relations of forest and agriculture and mining and farming to the social centers that ought to go with them. This bill contemplates a change in that respect. Instead of the present unit of individual holdings this bill would create a condition in which the unit would be the community and the individual holdings would be fractional parts of that community.

I think I have laid out the general features of the measure and of the Secretary's recommendation as far as public land is concerned. The Secretary thereupon goes on to say in his report that another condition is that from time to time the Government shall reacquire title to such lands formally owned by it, but now privately owned, as are held out of use and may be reacquired upon reasonable terms. That might be necessary in cases where public lands and private lands are mixed. You find a good many places in the United States, in consequence of our past policy, where the public lands are either surrounded by or mingled with private lands. In such places it might be well to cooperate with the private owners, if they would cooperate on reasonable terms. That is provided for in the bill, it being made conditional that in all such cases the President shall approve and that Congress shall adopt his approval.

The CHAIRMAN. Have there been any experiments of this character in the Australian colonies or in Africa?

Mr. POST. Not of this immediate kind, but in the Australian colonies there is the idea of public ownership, the retaining of title to the lands. I can not give you the references, but I can find them and have them sent to you if you would like. As to its capital—

The CHAIRMAN. I had in mind the scheme of this bill.

Mr. POST. The general principle lying under the bill has been undertaken in New Zealand.

Mr. KEATING. The German Government has made an experiment very much like this in East Prussia. Of course the object there was to keep the Germans on the land at the eastern frontier of Germany.

The CHAIRMAN. If you know of any country in which this scheme has been experimented with, I wish you would place a statement about such experiments in the record.

Mr. POST. I will be glad to have the Bureau of Labor Statistics furnish any information you desire.

Mr. KEATING. You will find information as to the experiment in Prussia fully set out in the report of the commission, which we sent over there.

The CHAIRMAN. We would like to have all of that information in the record.

Mr. POST. I will get a report from the Bureau of Labor Statistics covering all the ground you have in mind and relating to this particular subject. I will finish what I was about to say in relation to the Australian capital. There a commission was provided for and that commission followed the example of the District of Columbia. I guess it is the only imitation of that example, but they avoided some of the quagmires. They provided that this commission should be appointed by the governor general alone, so there was no chance for any skullduggery in selecting a site unless he engaged in it in advance. It was provided that this commission should select a place for the capital and that when a place had been selected the location should be condemnable on the basis of the value of the land at the date of the passage of the bill. So they have got a large area of land on which they are now building their capital city. The site of the city is to be owned by the Government always. They are building it on a plan the prize for which was won by an American, by the way, who is now engaged in building it under contract. The government can take over the land as fast or as slowly as they need it at \$3 an acre. If any of that land should be left 100 years from now and they needed it for the city they could then take it over at \$3 an acre, no matter how great its value.

The CHAIRMAN. What about the subsequent title?

Mr. POST. It is all to remain in the Government and it is to be used by individuals under fair terms.

Mr. CROSSER. I might suggest that Mr. Howe, commissioner of immigration at the port of New York, made reference to some of these experiments. I do not know whether he put them in the record fully, but I know he made reference to them.

Mr. POST. We can get them in absolute form from the bureau and on official responsibility. I will see that that is done.

Mr. KEATING. You will find that Australia has gone into this matter of putting men on the land, but Australia has failed to retain title to the land, although it has furnished pigs, cows, etc., as a part of the land.

The CHAIRMAN. Have there not been cases where countries did retain the title but owing to the weakness of the legislatures the title was surrendered?

Mr. Post. I do not know of anything of that kind. New Zealand adopted the plan of having its public lands settled very much as we do here, but at the end of each generation, about 30 years, the land is resold. The land is held on a ground rental, which is quite nominal at first, and at the end of 30 years the land is put up to the highest ground rental bidder. If the occupant buys it in, of course, nothing more is necessary; he just remains on the land, paying the new ground rent; but if somebody else bids it in the successful bidder has to pay for the improvements at a valuation fixed before the sale. That has been going on now for something like 30 or 40 years in New Zealand, as I understand.

Mr. KEATING. In our Western States there are, perhaps, hundreds of thousands, maybe millions, of acres of land which are leased to actual settlers by the various States, the States, of course, retaining title. The leases are made for periods of 5 or 10 years, at the end of which the amount is reviewed and either increased or decreased. In case the settler wishes to transfer his lease to another settler the new settler reimburses him for the value of the improvements. That system is carried out in practically every public-land State, and in the State of Colorado, I should think, to the extent of at least 2,000,000 acres.

The CHAIRMAN. If you can secure summaries of those experiments, I wish you would have them inserted in the record.

Mr. Post. I will be glad to have that done. The Secretary's report goes on to say:

Still another condition is that the Government from time to time shall acquire title to such privately owned lands in different States as may be usefully devoted to the purpose of opening opportunities for employment.

That might well apply to the Southern States. I should think there must be some very good opportunities for colonization there, where land could be obtained on reasonable terms, and the thought in the report is that it would be just as defensible to take over private lands for purposes like this as to take them over for park purposes. That is the general idea of that point.

The Secretary further says:

All this need not be done at once. A satisfactory beginning may be made with public lands already available for the purpose in question.

But he adds and keeps emphasizing:

But it is necessary that the Government shall not lightly divest itself of title to any lands it may set aside for labor opportunities.

I have already given the reason for that. He gives it in this way:

It is therefore suggested that private titles to lands set aside for the indicated purpose be so adjusted by the Department of Labor to its work of labor distribution as to prevent inflation of land values.

There is the great point, that whatever is done shall be done in such a way that the success of the Government in the enterprise

shall be protected by some plan which will prevent inflation of land values and thereby prevent reaction against the very thing the Government in trying to do.

Then the Secretary of Labor says:

There is still another essential condition: Equipment for farming and education in farming, as well as a place for farming, are needed.

Of course, that would apply to mining; it would apply to forestry; it would apply to grazing; and to any of these; there should be the education of the men who attempt to engage in them. For that reason it is suggested that there be cooperation between the Department of Labor, the Department of the Interior, and the Department of Agriculture, so that education in farming and in forest culture, etc., may be had, and that opportunities for selling the products may be afforded through these other departments which have powers that the Department of Labor does not have.

Then, the Secretary advises a rotary fund in order to give the settlers a start. I believe this bill suggests \$50,000,000 as a maximum, to be raised by the sale of bonds. But there must be a rotary fund so that the man who goes out to settle upon the land, as suggested by this bill, may have an opportunity to start right, and in order that he may have a house or a shelter for himself and his family. Provision is also made in the bill for clearing a part of the land so that the settler may begin to use it for farming. Provision is also made to employ such men as go upon the lands in clearing the lands, thus giving them an opportunity to make something in addition to the produce they get from the land already cleared for them. In other words, that they should be given a start. It seems to me that this principle in this bill is not very far away from the rural-credits proposition, which proposes to help the farmer. The difference is this, as I take it, that under the rural-credit system there must be collateral; a farmer must have something to give as security for what he borrows. Now, the wage earner has no such security, as a rule, and for such a man some other arrangement must be made.

The Secretary of Labor, in his report, refers to the objection raised to making loans without collateral—that the loans would not be safeguarded. He meets that objection by saying that they could be safeguarded without requiring commercial collateral, by resting them upon the best possible basis of industrial credit, namely, ability, opportunity, and character. The aim would be to get men of character and ability to go out upon these lands as settlers. Having obtained such men, then to train them, through Government agencies, in those things in which they needed training, and thus give them the fullest possible opportunity, the idea being that if you afford opportunity to men of character and ability you have the best kind of collateral for what they borrow. That idea is carried out in the bill before you.

Now, a few minutes as to locations. I can only speak very generally upon that point. There is now before the lower House of Congress a bill to construct a railroad in the San Juan country. I do not know much about it, but I understand it is a mining country with farming possibilities or a farming country with mining possibilities. The idea is to build a railroad as an outlet. That bill does not seem to take into consideration anything more than opening the country,

but the spirit in which the bill appears to be drawn would make it open to use for this purpose. The Government might build a railroad in that country in order to colonize, and thus open the way for mining and agricultural colonies. There must be opportunity there.

Mr. KEATING. What is needed there is irrigation.

Mr. POST. That is also provided for in the Crosser bill. Wherever irrigation is needed it is to be provided. The clearing of the land is provided for—drainage, road building, and whatever is necessary to give real colonists a real start.

Mr. KEATING. I happen to know that country very well, and the agricultural possibilities are tremendous.

Mr. POST. What about mining?

Mr. KEATING. Well, they have mines there. It is called the Golden San Juan in our country. But the agricultural possibilities, as I say, are simply tremendous.

Mr. LONDON. Then why are they not utilized?

Mr. KEATING. In the first place, on account of being remote from a market. They need a railroad, and the proposed railroad would give the country an outlet to the Pacific coast. Then they have not had the money with which to develop or build reservoirs and construct irrigation systems. I consider it perhaps the most fertile section of Colorado if you could put water on the land, and there is a very considerable quantity of water going to waste in that section now. Of course, the amount of land that could be put under cultivation would be limited.

Mr. POST. Do you think that country, or parts of it, would lend themselves to a colonization plan such as the Crosser bill contemplates?

Mr. KEATING. Undoubtedly.

Mr. POST. Then in Alaska I believe there are mining opportunities, and I should think that the Government railroad there would assist very materially in promoting the objects of this bill, and that by colonizing, under such a bill as this, along the line of the Government railroad, the development of the country would be helped to a considerable degree, and all of that would help in making the railroad profitable, help in opening the mines, and help agriculture in other parts of the country.

Now, here is a section of the country to which I desire to call your special attention. I call your attention to it because the Secretary of Labor refers to it in his report as something that might possibly be used for such a purpose as this. As you know, years ago a great gift of land was made by the Government to the California-Oregon Railroad Co. on condition that it should hold the land open to settlement at not to exceed \$2.50 an acre to actual settlers. That was not done and the matter got into the courts. Finally, the Supreme Court of the United States held that Congress had the power to declare a forfeiture.

An attempt was made, as I understand the case, to have the Supreme Court declare that noncompliance with the condition forfeited the title automatically. The Supreme Court decided against that and held that the grantors alone could declare a forfeiture. Now, a bill has passed the Senate and the House declaring that forfeiture. It was signed by the President on the 9th of June. Under that law this land will come back into the public domain and it will

come back on the conditions that control the rest of the public lands that are open to settlement now. It will doubtless be denuded of its timber, no provision being made for the conservation of that resource. No attempt is made to get people out there in numbers and the land will doubtless in a short time fall back into the hands of large owners and we shall have more difficulty in that direction. Here I have a map showing western Washington and western Oregon. The black spots represent the land that the railroad will forfeit under that law.

The CHAIRMAN. That would be a considerable percentage of the whole?

Mr. POST. Yes. The yellow means the actual or potential agricultural land not bearing merchantable timber. All of that is open to agricultural settlement.

The CHAIRMAN. Is the yellow still in public ownership?

Mr. POST. I do not know how that is.

The CHAIRMAN. How many acres are included within those black spots?

Mr. POST. About 100 townships, I think. Now, under the Crosser bill the Secretary of Labor would cooperate with the Secretary of the Interior and the Secretary of Agriculture, the three of them forming a colonization board. If they decided that that region would be a good place at which to start, they would have immediately available the land within the black spots. They might think it inadvisable to let lands in private ownership lie around there, and they would have the power under this bill to propose cooperation or they could buy out the owners at reasonable rates or they could give the owners a chance to join in the enterprise on a reasonable basis of value, so as to make the whole enterprise compact and take in all the land instead of having scattered ownerships. That would not be done, however, except upon the recommendation of the board of three Secretaries, approved by the President and by Congress.

Now, my question is this: Why allow all of that land within those 100 townships or more to go into the public domain under the present system, why allow the land to be denuded of timber, why allow land monopolists to gather it up? Why not take some such action as the Crosser bill proposes? It would enable us at least to control this public land which has returned to us.

The CHAIRMAN. Not with the idea of in any way lessening your ardor in the matter, because I would not wish to do that, but with the idea of getting all possible information, let me ask you this question: Suppose you had around the city of Washington to-day 1,000 well-equipped small farms of, say, 40 acres each, how many people in Washington could you get, first, to go out there and do the arduous work necessary and, second, do the work on terms of success?

Mr. POST. Do you mean because of lack of physical ability?

The CHAIRMAN. I mean knowledge and those virtues which are necessary in a farming life.

Mr. POST. I can not answer that question statistically.

The CHAIRMAN. Do you really think there are any people who would leave the easy work of the city, the sedentary employment, and go out on the farms?

Mr. POST. Well, I do not know about the people here in Washington.

The CHAIRMAN. I think that is the practical difficulty of the whole thing, the other difficulties being provisional. Do you think there is any large percentage of people in the United States not now living on farms willing to do farm work?

Mr. POST. Yes; I think there are. There are two points to that question. One is whether they would be willing, and the other is whether they would be intellectually able. In the first place, the farmer's son, the farmer's family, are going to the city.

The CHAIRMAN. The tendency is the other way; that is, to go to the cities rather than to the farms?

Mr. POST. Yes; the tendency is the other way, and for very good reasons. But the point is, in answer to your question, as to that class of people who are now hunting for better opportunities; that is, those in the country who have a tendency to go to the cities. I believe that when you open farms in this way you would turn back the tide, that the tendency would be to turn back the tide from cities. There are a great many people who do not know how to farm who would like to farm; at least they think they would like to farm. One reason why they do not do it now is because they do not know how, and another reason is because they do not know where to find the farm. I think that if you had well-equipped 40-acre farms around the city of Washington you would find they would be in great demand.

Mr. CROSSER. The fact is, that in Wisconsin and Minnesota the people are actually hunting a chance to work on those cut-over lands that are there at the present time.

The CHAIRMAN. Wage earners?

Mr. CROSSER. Yes.

Mr. POST. Now, we can only guess as to the willingness to go, but it seems to me that the reasonable stand for a legislative body to take is to assume that they will go until the experiment is tried and it is demonstrated that they will not go rather than to assume that they will not go and head them off from going. Men in business are attempting to do this colonization work. This is only one type, this Eagle River Co., and they must be making money out of it.

Mr. LONDON. What State is that?

Mr. POST. That is in Wisconsin. They are making money by getting people to go onto the farms without giving them any opportunity for education in farming. They are leading them out there. It is true that they may be getting some of them by suggesting unearned increment which we can not and ought not to hold up to them. But we ought not to deprive people of the chance to make a living on the land as long as there is a disposition to go on the land. This company to which I have referred is charging big prices and they are not giving any education in the work of farming as would be provided under this bill. The Department of Agriculture places all of its facilities at the disposal of the colonization board under this bill for the purpose of educating the colonists in the various branches, forestry, mining, and farming. Do not forget either that this is not merely a farm proposition, a grazing proposition, a forestry proposition, or a mining proposition, but it is all of those added to a community proposition. One of the things that drives men to the city is the loneliness of the farm as well as the fact that the idea prevails that the city offers prizes which anybody can get.

The CHAIRMAN. Whether you are going to have a community depends upon the practicability of the preceding factors—the industrial factors?

Mr. Post. Yes; but would there not be a vast difference between saying to a man, "Here, you, John Jones, or you, John Smith, can go out into the country and get a farm and live there by yourself," and saying, "John Jones and John Smith, we have a place where there will be hundreds of people; we will take you there and start you, after we find you are the right men and that you have character and ability"? Would there not be a great difference in those appeals, and would not those men be apt to go on the farms under the plan provided in this bill when they would not under conditions as they now exist? In further answer to your question, let me call your attention to the provision of the bill relating to that very thing. It is in the third section:

That the colonization board, after the examination of any area or locations as provided for in section two, shall select therefrom such locations as, in the opinion of the board, would be most suitable and practicable as colonization projects; and the said board shall make, or cause to be made, for each such location a detailed plan for developing and colonizing the same. Said plan shall in each case provide for the necessary clearing of land; for the construction, maintenance, and operation of the roads, ditches, and other reclamation works necessary to make the land accessible and cultivable; for developing and supplying timber, coal, power, telephone, and other services to settlers for their domestic use; for organizing facilities, for purchasing, marketing, and other cooperative activities; and for securing any other improvements or services necessary for the efficient organization and development of any community to be colonized on the location.

Now, the expense of that would be provided for on this rotary-fund plan and would be amortized, repayable over a period of about 50 years, with interest at 4 per cent instead of 6 per cent.

The CHAIRMAN. Mr. Secretary, if you had a dozen young couples just married from the farm, those from the parent farm, with this free land supplied by the country, the result would be automatic. I am speaking now of farming especially, because that gives one clear case, and the result would be automatic. The lands would be taken in proportion to their desire and as they would be qualified. You have the survival of the fittest on the farm to-day.

Mr. Post. I am not so sure of that.

The CHAIRMAN. I mean they are the survival of the fittest, and at least fit, in a sense, are drifting away from the farm looking for the easy jobs around the towns and cities. The more fit, those who can look forward and see the prospects for their children, struggle away and stay on the farm. I am afraid that the commanding factor is not the circumstance of proprietorship, very great as that is.

Mr. Post. Would not your philosophy make the historian suppose that the man of half a century ago who stayed and puttered away in the East on a stony sidehill farm was fitter as a farmer than the venturesome man who became a pioneer and went to new fields in the West?

The CHAIRMAN. That is not my meaning. I say that the people who stay on the farm represent the survival of the fittest with reference to farmwork, and those who do not, of course, are unfit by their own action and they divorce themselves from it.



Mr. Post. In that part of the country that I know something about in that respect, the men who stay on the farm are the tenants. The owners go to neighboring villages to live.

The CHAIRMAN. The tenant is the farmer, the other man is not, he is an investor. I have had the subject presented to me practically in another light where the difficulties of proprietorship would be removed and where the circumstances of industry and disposition are present, but where unhappily there is no beginning at the age of four years to climb the apple tree; it never takes place.

Mr. Post. Let us take one of the fit farmers, the tenant, who is struggling away to make a bare living, giving a part of his income to somebody else for the opportunity. The Department of Labor would learn about him. He is a man of good character, a good farmer, of good standing in his community, pays his rent and every other obligation. The Secretary of Labor would say, "Why, stay on this place? The colonization board will place you, along with 50 or 75 or 100 or 500 other people in a better place, and here is the plan." Would it not be better for the tenant and better for the Government to put him into such a colony and leave his place as tenant or farm hand open to some of the people who could do his work in that place, and thereby lift the market value of wages by increasing the need for help?

Mr. KEATING. Is it not a fact that practically every nation in Europe and almost every nation in the world, with the exception of our own, is doing exactly what you propose in this bill, with the exception that after getting the people on the land the Government does not retain title to the land? Is it not a fact that Russia, darkest Russia, is doing exactly what you propose, right up to the point where title passes from the Government to the farmer, the occupant of the land. Australia and England are doing the same thing and so is Ireland and Norway and practically every nation in Europe. The two new features in your bill—

Mr. Post (interposing). Let me correct you, it is not a department bill.

Mr. KEATING. Mr. Crosser's bill. The two new features in the bill are, first, that the Government retains title to the land and thereby secures any increase in the land value that may accrue.

Mr. Post. There is a provision in the bill as to that.

Mr. KEATING. And second, in this country there is a considerable area of public land on which you could start the experiment. In response to the chairman's question, could you get the people to go on the land?

The CHAIRMAN. Not from other farms or agricultural employment, but from the city industries?

Mr. KEATING. Of course, that raises a new phase, but so far as the people themselves being land hungry, there is no question, as stated at a previous hearing. Within the last two years 10,000 men have moved their families onto dry land farms in my Congressional district alone. They pray that God Almighty will give them some rain; if he does not they are ruined. They have taken the chance and have come there from every State in the Union; 10,000 in two years. That is how anxious they are to get the land.

The CHAIRMAN. The stated object of this bill is to increase, as a whole, the possibilities for the wage earners. If I understand it means to increase the number on the land, on their own land, as

compared with the others not working their own land. The object, as I understand, is to get people from the wage-earning industries in the cities to the farm. I think the man or the institution who can accomplish that result would be doing more for the people of the country than any man since Washington or Lincoln.

Mr. Post. We can not start unless Congress gives us an opportunity.

Mr. CROSSER. May I interrupt on that particular phase of the subject? You can not change the whole nature and disposition of a people overnight. I would not expect that as soon as this colonization proposition was authorized by Congress the next day the trains would be crowded with people from all of the large cities of the country going to the proposed colonies, but as they would find out gradually that such an opportunity was afforded and that they would not have to be held up by land speculators and that they might get a reasonable return for their toil, I think the general tendency would be to go away gradually. That would relieve the pressure on other places for employment and hence increase wages. I do not think you can expect the social customs of a people to change suddenly overnight of even in six months, but it would gradually come about.

Mr. Post. It would not only relieve at one end, but increase the demand at the other. That is, it would not only relieve the congested labor market at the one end, but it would increase the demand for labor at the other end.

In explanation of what Congressman Keating said about the Government taking the unearned increment, provision is made in this bill for devoting that to the community itself and to the payment of local, State, and county taxes.

Mr. CROSSER. I do not know whether you could do it, but could the committee obtain through your department from the Reclamation Service a record of where the people come from that are on the land spoken of by Mr. Keating?

Mr. Post. I will add to my statement official reports especially prepared for this committee. I will not send you any printed reports to look over, but will have the Bureau of Labor Statistics gather all the facts both with regard to foreign countries and our own country that are gatherable with reference to the questions asked.

Mr. KEATING. From my own experience I can say that they were tenants living on farms in other States who came there in the hope of becoming landowners, to a certain extent, and in some cases owners who disposed of their lands at a good value and who wanted to take up some new land.

Mr. Post. There is one objection that is made to any effort of this kind. It is that you can not get men on land except under the incentive of the expectation of being able to own the land itself and its social value as that increases. In other words, they are after unearned increment. But the real thing that workers want is to get a full return for their labor, and that is the object of this bill, to give full earnings and not to give what is not earned.

The CHAIRMAN. We are very much obliged to you, Mr. Secretary. (Thereupon, the committee adjourned to meet on Thursday, June 22, 1916.)

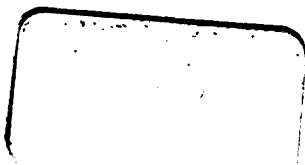
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